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PREAMBLE

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

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

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

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

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

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

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

The family farm system of agricultural production can provide opportunities for individual enterprise to all families in our society. This system achieves economic and social stability, as well as soil, water and environmental stewardship of our natural resources and unparalleled production efficiency. We cannot change or improve the

past but will proactively advance, with a strong vision for the future, the best interests of today's family-oriented agriculture.

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

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

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

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

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

ARTICLE I - Agricultural Programs for the Family Farm

A. National Food and Fiber Policy

The owner-operated family farm is the keystone of a free, progressive, democratic national society, as well as a strong America. The “family farm” or a “family-sized farm” is an economically adequate agriculture production unit that should produce, after a fair net return on investment, a family income comparable to the average net income of families in other segments of the society. That family farm is a unit utilizing land and other capital investments operated by one farmer together with his or her family who provide the stewardship and management, take the economic risk and provide the work, supervision and care of the unit. A vertically integrated and/or multinational grain and food conglomerate is not a family farm.

The future control and ownership of agriculture is a fundamental issue facing our nation and the world. National farm policy must provide direction with an emphasis on profitable farm commodity prices to ensure that control and responsibility of agriculture is vested within the family farm. The decline in the number of family-sized commercial farms must be reversed. Programs that encourage sustainable agriculture through diversified production, improved marketing strategies, and enhanced value-added opportunities can be keys to reversing this trend. Another important aspect of reversing the decline in these farms is to encourage new farmers to enter the agriculture industry. Farmers and consumers need stability and fairness in a farm program. Farmers, rural communities and consumers are at the mercy of a marketplace that is increasingly dominated by vertically integrated, multinational grain and food conglomerates.

We oppose any plan that does not protect net farm income for family farmers.

We commit ourselves to working toward innovative approaches that move beyond the parameters of past farm programs and seek to bridge philosophical differences within the agriculture community and our nation’s political structures.

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

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

1) Profitability: to enhance and protect net family farm income and provide a safety net;

2) Accountability: to reduce government costs and prevent activities that are counter-productive to the intent of the programs;

3) Directed benefits: to direct benefits toward family farming operations;

4) Simplicity: to require less bureaucracy and red tape;

5) Conservation: to maintain and enhance our natural resources; and

6) Diversity: to maintain opportunities for family farmers, regardless of crop and management choice.

B. General Program Provisions

1. Measure of Economic Equity

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

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

2. Directing Benefit Protection to Family Farms

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

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

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

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

a) The definition of a person who is actively engaged in production agriculture needs to remain strong and require active personal management and active personal labor in the actual farming operation;

b) Payments be transparent and directly attributable to a person who meets the criteria of actively engaged;

c) Price supports, together with realistic overall per-program and volume-based commodity program limitations, are effective tools to assist in directing benefits to family farm producers.

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

Directed benefit provisions should include:

1) The family-sized farm should be protected from the cuts scheduled under the terms of any future budget acts; and

2) Prohibition of artificial subdivision of farms to avoid limits should be enforced.

While we oppose decoupling federal farm program payments from planting decisions and believe that production-oriented benefits are the most viable public policy alternatives available today to respond to the crisis facing family farm agriculture, we recognize some farmers, by virtue of their enterprise and choice of harvest, cannot benefit from payments unless harvest occurs mechanically. Therefore, we support the opportunity for all our members and producers to choose farm programs that best fit their operation.

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

3. Providing a Safety Net

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

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

a) Improve and fully fund a permanent disaster program;

b) Improve commodity loan rates, and extend the loan period from nine months to 18 months. A producer should have the option to forfeit after nine months;

c) Improve and expand risk management tools (*also see Article I. G. 2. Crop Insurance*);

d) Adequately fund the Livestock Compensation Program to prevent the sell-off of base breeding herds of the United States in the event of a disaster declaration;

e) Establish a regionalized cost of production floor under dairy prices;

f) Establish a farmer-owned Strategic National Food, Feed and Biofuels Feedstock Reserve;

g) Expand the Food Security Commodity Reserve Program;

h) Implement an effective inventory management program for all farm commodities;

i) Enhance a farm storage facility loan program;

j) Continue an effective Conservation Reserve Program (CRP); and

k) Limit the authority of the secretary of agriculture to take discretionary actions that would result in lower farm income.

4. Farm Viability Programs for Family Farms

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

a) Market development and promotion;

b) Product development/differentiation and promotion;

c) Consumer education;

d) Business planning;

e) Alternative ownership models and structures;

f) Local and regional infrastructure needs;

g) Local and regional food security needs;

h) Local and regional energy needs; and

i) Attracting new and beginning farmers.

5. Beginning Farmers and Ranchers

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

We support:

a) Implementing and funding the Beginning Farmer and Rancher Development Accounts Pilot Program;

b) The creation of a new loan category within Farm Service Agency direct operating loans to provide flexible capital through operating microloans for beginning farmers and ranchers;

c) Maintaining the loan set-aside within the direct and guaranteed Farm Service Agency loan program for beginning farmers and ranchers while reducing the farm management experience requirement from 3 years to 2 years;

d) Increasing the down payment loan program limit to assist beginning farmers and ranchers to purchase land in areas with high real estate values;

e) Incentives to retiring farmers to rent or lease land expiring from CRP and other programs to beginning farmers or ranchers;

f) Cost-share differentials and funding set-asides for beginning farmers in the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and other programs;

g) Tax credits, targeted to the seller of the land, who sells to a beginning farmer or rancher (*also see Article VI. C. Land Transfer*);

h) Including a priority for projects benefiting beginning farmers and ranchers within the Value-Added Grant Program and fostering new entrepreneurial opportunities for beginning farmers and ranchers within the Rural Development grants and loans programs;

i) Continuation and funding of the Beginning Farmer and Rancher Development Program to provide education and training to beginning farmers and ranchers, including for agricultural rehabilitation and vocational training programs for military veterans;

j) The Risk Management Agency making whatever regulatory or operational changes are necessary to ensure fair access to crop and revenue insurance by beginning farmers and ranchers;

k) Additional emphasis within the National Institute of Food and Agriculture to support research, education, and extension on issues related to beginning farmers and ranchers, farm transition, and farm entry;

l) The reauthorization and full funding of programs previously administered by the National Sustainable Agriculture Information Service, also known as ATTRA, to serve as a resource for beginning farmers and ranchers;

m) Continuation and support of NFU youth and beginning farmer programs to assist and educate individuals interested in pursuing a future in farming;

n) The establishment of a funding priority for the federal Farm and Ranch Land Protection Program for easements conserving farmland for which there is a generational farm transfer plan, easements which include the use of an Option to Purchase at Agricultural Value or easements which occur in conjunction with the transfer of the conserved land to a beginning farmer; and

o) Specific training and education for state and county FSA and NRCS staff on helping beginning farmers and ranchers access programs, with emphasis on specialty crops and alternative enterprises.

C. Dairy, Livestock, Aquaculture and Fishing

1. Dairy Policy

a. 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:

1) Encourage and enable producers to use sustainable environmental practices;

2) Provide a high-quality, stable supply of dairy products to consumers;

3) Assist new farmers entering into dairying;

4) Balance milk supply and demand through a long-term supply management program;

5) Voluntary producer assessments must clearly demonstrate they substantially increase producer income;

6) Prohibit mandatory producer assessments unless it can clearly be demonstrated that they substantially increase producer income;

7) Reduce government-held dairy stocks;

8) Provide full funding of the School Milk Program and Special Milk Programs;

9) Include 100 percent real dairy products such as domestic whole milk, low-fat milk, skim milk, and dairy lactose-free products in the National School Lunch Program as well as in school vending machines;

10) Utilize the Commodity Credit Corporation (CCC) to mitigate low prices;

11) Provide transparency in milk price reporting;

12) Require mandatory participation of processors in an audited National Agricultural Statistics Service (NASS) survey;

13) Require mandatory participation of processors in an audited cold-storage report;

14) Include development of a transparent pricing mechanism to replace the inadequate Chicago Mercantile Exchange (CME) pricing system;

15) Ensure research and promotion activities are directed toward enhancing income to family farmers;

16) 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;

17) Prohibit volume premiums;

18) Include market loss assistance during times of low prices, with capped payments based on production. The cap levels should be targeted to family farmers;

19) Prohibit federal legislation allowing dairy forward contracts that give processors and marketers the ability to pay below the minimum market order price;

20) 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;

21) Require plants to pay the minimum prices established by USDA for butter, nonfat powder and cheddar cheese;

22) Prohibit the use of fluid milk as a loss leader at the retail level;

23) Require USDA and CME to standardize labeling and packaging of surplus dairy products; and

24) We support:

a) The production and sale of raw milk as it provides a viable market niche for dairies. Because of the possible risks of cross-contamination, we recommend that raw 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,

b) Policies, practices and standards for responsible raw milk production for dairy producers that choose to produce raw milk (or raw dairy products) for human consumption, and

c) Equal access to raw milk (and or raw dairy products) for human consumption for all consumers that choose to consume raw milk.

b. 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:

1) Immediate correction of the imbalance between prices for Class III and Class IV milk;

2) A price discovery formula at the producer level allowing for variable market conditions;

3) Location-specific differentials coupled with a floor price on all classes of milk;

4) Price incentives that reflect the value of all milk components;

5) Tests for component pricing that are checked for accuracy by USDA;

6) 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;

7) A base make allowance that is adjustable to reflect the difference between milk prices and the producer's cost of production;

8) Elimination of bloc voting on market orders; and

9) 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.

c. 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:

1) 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;

2) Implementing increased USDA, Food and Drug Administration (FDA) and customs inspection and regulation of casein, milk derivatives and milk adhesives imported for food use;

3) Establishing tariffs on foreign imports of all dairy ingredients that displace domestically produced milk usage including animal feed ingredients;

4) Using GSM-102 export credit guarantees;

5) Further utilization of the Market Access Program (MAP); and

6) Reform of the Dairy Export Incentive Program (DEIP).

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

We support:

1) Maintaining FDA's current definition of milk to prevent casein and MPC from being used in standardized cheese;

2) Actions that restrict the importation of casein, MPC, dairy blends and food preps;

3) Properly informing consumers about the use of casein, MPC/UF dairy blends and food preps in food production, including labeling;

4) Immediate passage of legislation to subject casein, MPC and other dairy blends to a tariff rate quota;

5) Imposing strong penalties for the dairy plants using casein and/or MPC and dairy blends in standardized cheese production;

6) Requiring an end-use certification on all imports of MPC, dairy blends and food preps;

7) Bringing a trade action against nations that are dumping subsidized MPC, dairy blends and food preps;

8) Disallowing MPC for human consumption until it meets the necessary generally regarded as safe (GRAS) requirements; and

9) Prohibiting government subsidization of the production of MPC.

e. Consumer Protection *(also see Article I. D. Labeling of Commodities and Commodity Products)*

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

1) State and federal legislation to require all schools to use rBST-free milk;

2) Restricting the use of the Real Seal to domestically produced dairy products and subsequent enforcement of its standards;

3) Educate and promote the Real Seal program to consumers;

4) Increase the federal standards for fat and solids in fluid milk to meet the national average of the milk content produced on U.S. farms;

5) Require imports to meet the same high standards used for domestically produced dairy products; and

6) Prohibiting the addition of artificial sweeteners such as aspartame to dairy products. If allowed, they must be labeled as such.**2. Livestock Policy**

a. Animal Welfare

We support:

1) Producers' rights to own and raise livestock and have livestock recognized as personal property;

2) 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;

3) Responsible care and management of animals to provide for the welfare of herds and flocks; and

4) 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, horse flesh, or carcass for the purpose of harvest. We call for the reinstitution of facilities to deal with the humane disposal of horses.

b. 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 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:

1) Investigate the impact of foreign pricing practices on the U.S. market;

2) Impose countervailing duties to offset subsidies paid to foreign exporters;

3) Require the amount of imported meat and live animals intended for slaughter be reported weekly;

4) Re-establish Section 301, allowing for the United States to impose trade sanctions against foreign countries that the USTR determines applicable;

5) Re-establish the Meat Import Act which was replaced under the Uruguay Round by replacing the existing tariff rate quota system with an import quota system; and

6) Require end-use certificates to monitor the flow of livestock being imported.

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

We support:

1) Strengthening USDA and FDA safety standards to prevent bovine spongiform encephalopathy (BSE) contaminated products from being imported (*also see Article I. C. 2. d. Livestock Health*);

2) Banning meat and/or meat products from foreign countries that allow use of medications or additives not approved for use in the United States;

3) Requiring more vigorous inspection of imported meat processing facilities to ensure foreign standards are equal to U.S. standards;

4) Requiring more vigorous inspection of imported meats to ensure foreign standards are equal to U.S. standards;

5) Prohibiting ground and shaved meat from being imported into the United States;

6) 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; and

7) 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.

We oppose any change to slaughter inspection that moves inspection tasks from USDA inspectors to company employees. This includes any expansion of the HACCP-Based Inspection Models Project or any other project that would privatize inspection roles.

d. 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:

1) Continue to allow FDA to permit the use of therapeutic antibiotics approved for use in livestock unless valid scientific evidence proves the product is unsafe. NFU believes that antibiotic treatment should be reserved for clinical treatment of illness and for judicious use in preventing illness during periods of stress and supports producers' right to treat his or her animals with antibiotics to address herd health issues while opposing the constant subtherapeutic use of antibiotics;

2) Ionophores should be reported as feed additives;

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

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

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

6) Establish funding for a voluntary Johne's Disease testing program;

7) Increase research on transmission modes, vaccine regimes and protocol for vesicular stomatitis by federal officials and private organizations;

8) Re-evaluate the quarantine restriction and reclassification of vesicular stomatitis from a Class A to a Class B disease;

9) Prevent Bovine Spongiform Encephalopathy (BSE) and Foot and Mouth Disease (FMD) through:

a. Increasing federal and international research to understand and prevent BSE/FMD,

b. Continuing the site-specific ban on processing, blending and shipping of meat from a plant where BSE has been found until subsequent test results show that the plant is free of BSE, c. Rescinding the USDA rules that allow the import of livestock and meat products from countries with active disease outbreaks without Congressional oversight and producer and consumer input,

d. Continuing the ban on livestock and meat imports from countries with BSE/FMD outbreaks until the disease is controlled and/or eradicated,

e. Banning all meat and feed imports from countries that have not implemented and enforced a ruminant-to-ruminant feed ban,

f. Prohibiting the importation of animal protein products from countries that cannot certify BSE- and transmissible spongiform encephalopathies (TSE)-free products,

g. Prohibiting TSE-positive materials in non-ruminant feeds, and

h. Cross-referencing all regulations for complete consistency of standards;

10) 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;

11) 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;

12) Require user-fees for importers to implement inspections and disease prevention;

13) 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

14) Urge Congress to upgrade the Plum Island Research Facility; however, we oppose constructing a National Bio- and Agro-Defense research facility in any location critical to food production in our nation. That said, if built on the mainland United States, rigorous standards of containment must be developed and the government should assume complete liability should containment not be successful. Funding must be adequate and continuous to meet the rigorous standards of containment. To prevent any biosecurity risk, funding for this facility should be exempt from any budgetary cuts.

e. State Animal Identification

We support the USDA's recent action to leave animal identification for disease management to the states. We urge state programs to establish voluntary individual animal identification systems that recognize that the collected information is the sole, proprietary property of the producer and those authorized to use it. Any livestock database shall be housed at the state level, and that the data will only be shared in the event of a disease outbreak and to extent necessary for its control.

f. National Animal Identification

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

1) Costs of implementing the program remain uncertain. The Department of Homeland Security (DHS) has stated the necessity of a national animal I.D. program to combat terrorism; therefore we urge Congress to provide the full funding necessary to create and maintain the database and provide compensation to producers for their costs of implementing the program;

2) Any national animal I.D. program should be administered by USDA;

3) Mitigate producer liability for contaminated food products. A seamless system should be provided at all retail levels that ensures the information gathered through an I.D. system is complementary with that provided through mandatory country-of-origin labeling;

4) Use of the proprietary information should include clear limits to ensure protection under the Freedom of Information Act (FOIA). Access to producer information should be available only to relevant federal and state agencies and only in times of animal disease outbreaks or bioterrorism attacks;

5) Ensured uniformity of identification system with tracking technology and database management; and

6) Control of the database needs to remain under the control of the federal government. The concerns we have with USDA's proposal to allow a privately managed database system include:

a. It forces producers to bear the financial burden, which they cannot afford;

b. This public database will create a revenue source for private entities seeking to make a profit;

c. It does not contain oversight to protect confidential producer information;

d. It does not mitigate producer liability;

e. It will create opportunities for packers to condition the purchase of livestock upon participation in a voluntary I.D. program;

f. It assumes coordination among a complex web of data with no guarantees of success; and

g. It assumes all sectors of the livestock industry will agree upon the development and maintenance of a single entity to represent each species' interests.

g. Aquaculture, Fishing and Alternative Livestock

1) Land-based Aquaculture

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

In order to ensure consumer confidence in the health and safety of these products, 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 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; and

c. 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.

2) 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 sustainably caught wild seafood.

3) Sustainable Working Waterfronts and Fisheries

Small boat fishermen and women face many of the same challenges as family farmers: an aging population, consolidation of the fishing fleet, and high cost of production in fuel and license costs make it hard to enter or sustain a fishing business. In addition, drastic declines in ground fish populations, overfishing of forage fish habitat have all led to a current economic crisis for many small boat fishermen and their coastal communities. Drastic declines in cod and other economically significant ground fish off the New England coast will necessitate extreme cuts to fish harvest, in some cases as

high as 77 percent compared to the previous years. The economic impact of these reductions will be devastating for small boat fishermen.

We support:

a. Protecting our working waterfronts so that viable family fishing businesses can thrive and grow;

b. Disaster assistance for small boat fishermen;

c. Full assistance of USDA risk management agency for small boat fishermen;

d. Development and support of cooperative marketing, processing and branding models that provide a fair livelihood for fishing families, healthy local food products, and sustainable of wild harvest fisheries;

e. Extension of the full range of USDA Know Your Farmer, Know Your Food (KYF) programs to support small boat fishermen;

f. Programs that provide regionally appropriate research and technical assistance to improve profitability of sustainable fishing practices, enhanced marketing and processing of sustainably caught fish;

g. Programs that enhance the production and processing of local meat and poultry should be extended to include fish;

h. KYF programs that provide access to education and training for beginning fishermen and women;

i. USDA conservation programs that support the development and adoption of sustainable fishing practices and protect coastal ecosystems;

j. Nutrition incentives should be extended to fresh fish;

k. Catch limits as essential means of rebuilding fish stocks;

l. Selective harvesting practices that allow healthy stocks to be targeted while at risk and depleted stocks are avoided;

m. Reviewing current practices as well as development of new fishing gear or techniques that avoid depleted stocks;

n. Forge fish populations being carefully managed to avoid overharvest using science based annual catch levels and a risk adverse management strategy;

o. Development of meaningful protections for sensitive seafloors habitat essential for the needs of managed species based on best available science; and

p. Prohibit 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. In order to qualify as U.S.-

produced, meat products must come from an animal born, raised and slaughtered in the United States; and fresh produce, honey and peanuts must be exclusively grown and processed in the United States; farm-raised fish and shellfish hatched, raised and processed in the United States and wild fish and shellfish harvested and processed solely in the United States or by a U.S.-flagged vessel. Mandatory COOL is a valuable marketing tool for producers, and it allows consumers to know where their food is produced.

USDA must follow the intent of Congress regarding mandatory COOL. Furthermore, we feel USDA should continue the implementation of COOL in a farmer-friendly manner, and not reinvent a delayed or new costly system that places undue burden on U.S. farmers, ranchers and fishers. The burden should not fall on domestic producers.

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 requiring imported dairy products to be labeled to indicate country-of-origin.

We support the following principles in the continued implementation of mandatory COOL for agricultural products as directed in the 2008 Farm Bill:

a) In order to qualify as U.S.-produced, meat and fish products must come from an animal exclusively born, raised and slaughtered in the United States and fresh produce and peanuts must be exclusively grown and processed in the United States;

b) 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;

c) USDA should perform any/all producer audits to determine compliance with the law;

d) Allow those who solely produce U.S. products to self-verify that fact;

e) 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; and

f) 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 labeling for food products throughout the processing chain to include all ingredients, additives and processes such as:

a) Artificial growth hormones;

b) Products derived from cloned animals;

c) The identity of the parent company;

d) Carbon monoxide injected in meat and seafood or packaging for appearance or shelf-life purposes;

e) Genetically altered or engineered food products. f) Point of origin and producer-determined standards for geographic indicators, including percentage coming from that origin;

g) Date of kill, for meat and seafood;

h) Whether the meat was frozen;

i) The date/dates the meat was subsequently refrozen;

j) Irradiated products, and we call for further research on its long-term effects on human health;

k) Maintaining and protecting the integrity of organic labeling; and

l) Labeling standards encouraging the sale of organic products while not limiting opportunities to market other natural or sustainably produced food products.

We oppose:

a) Labeling poultry chilled below 26 degrees Fahrenheit as fresh; and

b) 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:

a) 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 be labeled “No artificial growth hormone used” as directed by FDA regulations;

b) Labeling products as free of artificial growth hormones;

c) Requiring labeling of imitation and substitute dairy products;

d) Requiring labeling of food products to identify the parent company; and

e) Labeling the use of casein, MPC/UF dairy blends and food preps in food production.

4. Nutrition Labeling

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

E. Commodities

1. Wheat, Feed 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:

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

b) Price and income supports should primarily be provided by CCC non-recourse, commodity loans;

c) Loan rates should be adjusted annually to reflect the effects of inflation and productivity;

d) Loan maturity periods should be extended at the discretion of the producer, for up to 18 months to provide producers maximum marketing flexibility;

e) Price support and CCC loan levels should be set at levels to ensure producers have the opportunity to receive a fair return on their investment. The loan should not be for less than the USDA national average cost of production. CCC loan levels should be adjusted annually to reflect inflation and productivity;

f) Price supports and CCC loan levels should be annually balanced in an upward manner to ensure equity in support among commodities in order to prevent market and planting distortions;

g) 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 major 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;

h) 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;

i) 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 failures;

j) Planting flexibility;

k) Low-interest grain storage facility loans should be made available to producers;

l) Each farm operator and crop share landlord should be eligible for maximum loan volume targeted to family-sized producers;

m) Farmers should have the right to periodically update acreage bases and proven yields on all crops for each farm; and

n) Farmers should have the option to store forfeited grain and receive storage payments until final sale is consummated.

Due to potential cross-contamination of other crops, we oppose the growing, harvesting or processing of castor beans which produces ricin, a toxic substance which can be lethal to humans and animals, market-disrupting, and can be considered a prime tool for use by terrorists to harm U.S. citizens.

2. Other Program Commodities (wool, mohair, honey, pulse crops, etc.)

We support:

a) 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; and

b) Funding the Wool and Mohair Program from tariffs on sheep and wool imports; and

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

3. Tobacco

We urge action by Congress and the administration to:

a) Provide for a plan and funding for economic development assistance to tobacco-dependent communities;

b) Establish country-of-origin labeling for tobacco;

c) Ensure that all imported tobacco meets the same standards of domestic leaf and is monitored and tracked in a similar fashion as domestic leaf;

d) Encourage Congress to act to include provisions to continue the inspection of foreign tobacco for U.S.-banned chemicals and pesticides;

e) Encourage USDA to continue research to develop new uses for tobacco plants, such as development of any pesticidal properties and medical research;

f) Support the president's Commission on Tobacco recommendations and the efforts of the Alliance for Health Economic and Agricultural Development (AHEAD);

g) Act to establish a new chapter under the Food, Drug and Cosmetic Act for the fair and effective regulation of all tobacco products in the way in which they are manufactured, sold, labeled and marketed and ensure that growers and other stakeholders have the opportunity to provide input and comments on any future rules issued by FDA;

h) Ensure that adequate funding is provided for grower compensation, as well as tobacco control, education and cessation programs; and

i) Establish mechanisms by which tobacco and tobacco products can be monitored and tracked in interstate and foreign commerce to prevent the illegal manufacture, sale and distribution of tobacco products. The trafficking and smuggling of tobacco products is a national and international multibillion dollar crime phenomenon negatively impacting growers, responsible manufacturers and public health.

4. Peanuts

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

Given the significant change in policy that occurred with the 2002 and 2008 Farm Bills, we support:

a) Fulfillment of the program funding commitments of the 2002 and 2008 Farm Bills;

b) Grower marketing associations and federal marketing and warehouse assistance to aid in the maintenance of fair and transparent market competition;

c) Increased research funding to develop alternative uses for peanuts;

d) Prohibiting the importation of peanuts or any peanut products from countries that produce no peanuts; and

e) Prohibiting the importation of peanuts or peanut products from countries that have plant disease problems, use unjust labor practices or have less stringent pesticide regulations than the United States.

5. Sugar

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

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

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

6. Tree Farms and Forestry

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

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

NFU encourages state and local governments to protect prime harvestable forest lands through local zoning ordinances.

7. Specialty Crops

Specialty crops include fruits, vegetables, tree nuts, dried fruits, nursery crops, floriculture and horticulture including turf grass, sod and herbal crops. Congress should provide mandatory funding for a safety net program to allow producers to earn the cost of production plus the opportunity for a reasonable profit from the marketplace.

We support:

a) USDA's promotion of buying local and regional agricultural products, such as the "Know Your Farmer, Know Your Food" initiative, as a means to provide new and larger markets for smaller specialty crop farmers. Local will be defined by the consumer to be the immediate area, state or region but must be U.S.-produced;

b) Promotion of farm-to-school and farm-to-institution programs;

c) Promotion of farmers markets and community-supported agriculture (CSA) to allow consumers greater access to fresh produce and to allow smaller-scale farmers opportunities to market directly to consumers;

d) USDA efforts in the creation of regional food hub distribution centers in order to create new aggregation, marketing, processing and distribution opportunities for specialty crop growers;

e) Mandatory funding for the Specialty Crop Act. Specialty crop block grants that are provided to states should be provided to producers and not supplant state budgets;

f) Collaboration with consumer, culinary and other food groups to promote U.S. specialty crops;

g) Protection for specialty crop producers from imports during the primary harvest season for perishable crops (window of harvest);

h) The purchase of surplus fruits and vegetables through Section 32 and bonus buy programs for distribution through federal food aid programs;

i) Incentives for all federal nutrition program beneficiaries, such as those of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Seniors National Farmers Market Nutrition Programs, and the Supplemental Nutrition Assistance Program (SNAP) to use their benefits at farmers markets, CSAs and other direct marketing outlets. These programs are mutually beneficial for specialty crop producers by providing a market opportunity and low-income consumers who receive high-quality, locally produced farm fresh products;

j) Removal of barriers and the provision of incentives so that farmers markets and farm stands can redeem food stamps, WIC coupons and other federal nutrition program vouchers;

k) Geographically disadvantaged provisions for U.S. areas not included in main farm programs, including Alaska, Hawaii and Puerto Rico;

l) Urging the president, attorney general and Congress to direct the U.S. Drug Enforcement Administration (DEA) to reclassify industrial hemp as a non-controlled substance and adopt policy to allow American farmers to grow industrial hemp under state law without affecting eligibility for USDA benefits; and

m) USDA designation of tree syrups as a specialty crop.

8. Honey/Pollination

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

a) Agricultural research and education to encourage innovative approaches to protecting honeybee health and improve genetic stocks of honeybees;

b) Development and expanded research to enhance native pollinators;

c) Encouraging EPA to enforce its pesticide use labels to ensure proper application of pesticides;

d) Encouraging collaboration between the pesticide manufacturing and pollinator industries to educate applicators and producers about the potentially harmful effects of pesticides on pollinator populations;

e) Continued monitoring of pest populations and pest control methods;

f) Continued monitoring of pollinator imports, accidental importation of pests and invasive species;

g) Ensuring that pollinator-beneficial habitat and best management practices are eligible for cost-sharing assistance and incentives in USDA conservation programs intended to assist producers;

h) Public research of effects of pesticides, such as neonicotinoids, on bee colonies, especially related to Colony Collapse Disorder; and

i) The Food and Drug Administration (FDA) defining honey as a food product based on the Codex Alimentarius standards so that U.S. beekeepers have the ability to utilize trade and legal mechanisms when imported honey is adulterated. Until the FDA defines honey as a food product, we support efforts at the state level to authorize state departments of agriculture to define honey using the Codex Alimentarius standards as a guideline.

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

9. Value-added and Minimally Processed Foods

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

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

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

F. Agri-Tourism

We support:

1) The inclusion of agri-tourism as part of the definition of agriculture and encourage USDA to recognize the value agri-tourism plays in small, diversified farms and communities throughout the United States by 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 risk management tools be expanded to cover all commodities.

1. Livestock Producer Assistance

We support:

a) The Livestock Compensation Program;

b) Safeguards to assure that program benefits are targeted to family farmers and ranchers;

c) Permanent funding for the Livestock Indemnity Program (LIP); and

d) 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:

a) The continuation and improvement of the federal crop insurance program;

b) A permanent disaster program, in addition to crop insurance that addresses both catastrophic and shallow losses;

c) Enhancing the affordability of coverage above 75 percent of actual production history (APH);

d) 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;

e) 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;

f) Development of federal crop insurance policies based on the regional average cost of production for the insured commodity;

g) Development of new products that allow producers to protect their income in times of low prices and/or quality losses;

h) Expanded production loss and revenue protection programs to cover more crops and livestock in an equitable and comparable manner in all states;

i) Development of products that allow producers to better protect against livestock and livestock feed losses;

j) Directing the Risk Management Agency (RMA) to further develop the Adjusted Gross Revenue (AGR) and AGR-Lite insurance programs and expand their availability nationwide;

k) Legislative action to provide the RMA authority to allow nationwide crop and revenue insurance pilot programs;

l) Legislative or administrative action to increase the producer representation on the Federal Crop Insurance Corporation (FCIC) board of directors, clarify the relationship of the RMA to the FCIC, and establish a local appeals process including conflict resolution;

m) Providing family farm 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;

n) Reasonable funding for crop insurance agent and company reimbursement;

o) Maintaining APH for federal crop insurance purposes when production was reduced by natural disasters;

p) 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;

q) Signup requirements that contain enough flexibility to allow producers to respond to weather changes;

r) Being eligible to plant a "ghost" crop when a producer collects a payment for a prevented planting;

s) Maintaining eligibility to receive prevented planting indemnity payments regardless of the producer's planting history;

t) The inclusion of local quality and basis adjustments in revenue assurance (RA) products;

u) The risk management program to recognize and accommodate the unique production and actuarial experience of producers of certified organic commodities;

v) Not reducing established crop insurance during that crop year;

w) The development of an optional, supplemental crop insurance product to expand production loss coverage by helping offset either catastrophic or modest production losses in the event of weather-related or other insurable disaster losses;

x) Requiring the RMA and the Farm Service Agency (FSA) to coordinate all definition, reporting requirements and information technologies;

y) The creation of regional advisory committees composed of producers, insurance agents and insurance company officials to work with RMA regional staff and offices to establish appropriate policies, procedures and educational activities for the individual RMA regions;

z) The development and expansion of products that allow producers of non-program commodities, small diversified farming operations of specialty and minor crops to have equitable insurance coverage based on the market for which it is produced. USDA should make whatever regulatory or operational changes are necessary to remove barriers and ensure fair access to crop and revenue insurance by beginning farmers and ranchers;

aa) The concept of a risk management account that would be a private, self-insured policy for farmers that is similar to the current health savings account. This is not a replacement for crop insurance; rather, it is an alternative tool for farmers;

bb) Preventative planting losses including all weather contingencies, including drought; and

cc) A crop insurance premium due date of December 1 with no interest charges to the premium if the claim is unsettled.

ee) Requiring conservation compliance to be eligible for federal crop insurance subsidies.

We oppose:

b) The Risk Management Agency allowing outside influence on crop insurance premium levels with regard to specific crop inputs, practices or technologies;

c) The sale of crop insurance by ag lending institutions and other ag industries that are able to coerce the producer, i.e. lenders discounting interest or requiring purchase of the lender's own crop insurance product as condition of receiving a loan; and

d) The voiding of an entire crop insurance policy due to an error in a single line of the policy.

3. Risk Management Education

We encourage USDA to continue funding risk management education grants.

H. Farm Program Administration

We urge full implementation and funding of all provisions of the 2008 Farm Bill, consistent with the intent of Congress.

1. Farmer-Elected Committees

We support:

a) The integrity and independence of farmer-elected committees in carrying out farm programs;

b) Sufficient funding so the committee members can be trained and can function effectively;

c) Appointees to state FSA committees, which administer farm programs, being family farmers;

d) Farmer-elected, county- or area-farmer committees;

e) Uniformity of interpretation of USDA programs to the maximum degree possible, while still meeting local needs;

f) Offering appeals at the local, state and national level;

g) Continuing an independent appeals process and the producer's right to mediation;

h) Programs to educate producers and others about mediation processes; and

i) Greater authority given to FSA county committees in determining the disaster designations and the appropriate program applications.

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

2. Natural Resources Conservation Service

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

a) Implementation of an appeals system;

b) Giving the soil conservation district boards the authority to hear farmer appeals on conservation land-use issues, including good, fair variances;

c) Providing full funding for conservation technical assistance to implement conservation programs;

d) Appointees to the NRCS state technical committees, which provide advice and counsel to state conservationists, being actively engaged in a family farm operation;

e) NRCS state technical committees having voting power over the cost-share rates and ranking procedures; and

f) Funds designated to NRCS programs being used to hire local fishers and farmers to implement conservation projects.

We oppose 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:

a) 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

b) 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

We support passage and implementation of the AgJOBS 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.

We support enforcement of the following labor standards:

a) Worker protection standards regarding wage rates, health, safety and housing conditions for migrant, seasonal, minority and other farm laborers and for education of their children;

b) Allow the rights of workers to bargain collectively for fair wages; and

c) Provide a livable minimum wage.

2. Safety of Farmers and Farm Workers

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

We recommend:

a) Farmers take advantage of training opportunities, including pesticide applicator programs, as often as possible;

b) Farm equipment manufacturers be subject to rules requiring product safety, and that manufacturers be liable for damages suffered due to injuries caused by faulty equipment;

c) Standardized hazard and caution lights and distinct turn signals on all farm equipment that uses public roadways, and increased education of the public on the need to respect them;

d) Discouraging the use of Slow Moving Vehicle emblems for purposes other than their intended use;

e) Farmers and their employees have access to information regarding hazardous materials used on the farm;

f) Farmers maintain adequate records on their transportation, use, storage and disposal of fertilizers and pesticides;

g) Farmers and small businesses have a voice in assuring that rules implementing the Occupational Safety and Health Act of 1970, established for the protection of those employed by farmers and small business persons, are reasonable and workable. This assures that OSHA requirements are within the reasonable financial reach of farms and businesses affected, that the penalties are not excessive, and that reasonable periods of time are allowed for compliance;

h) Congress provide for continued exemption of small farms and businesses that have 10 or fewer employees from the inspection provisions of the law;

i) Family farmers exercise reasonable care to promote the safety of themselves and their families; and

j) Developing International Labor Organization (ILO) standards that adequately protect the health and safety of children.

3. Storable Commodities Producer Protection

a) Federal Warehouse Act

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

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

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

b) Ag Merchandiser or Supplier Bankruptcies and Receiverships

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

c) Commodity Basis

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

4. Agricultural Census

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

a) Continued to be conducted every five years;

b) Opposition to efforts to increase the minimum financial criteria for classifying agricultural operations;

c) Continued collection of needed data relating to corporate involvement in agriculture and coordination with information collected on foreign involvement in the purchase of farmland and agricultural enterprises to more clearly reflect the pattern of ownership and management of U.S. agriculture; and

d) Opposition to USDA using information obtained in the census in a manner that is detrimental to family farmers and ranchers.

5. Commodity Research and Promotion Programs

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

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

a) Research, and promotion programs are for the sole financial benefit of domestic family farmers;

b) Disbursement of funds collected is controlled solely by boards of non-processing domestic producers elected by the domestic producers assessed, and the operations of the program are solely controlled by those domestic producer boards;

c) Members of national producer-funded boards shall be nominated and elected by producers, with the election process supervised by FSA, and nominations and balloting conducted by mail;

d) It shall be mandatory that all eligible producers be provided a ballot by FSA for all elections and referendums;

e) Approval is by 60 percent of producers voting in a referendum by mail prior to implementation of the order, with spouses allowed to vote individually, and no bloc voting allowed;

f) The outcome of producer referendums should be determined solely on the basis of one vote per person;

g) Changes in levies and administrative and operational procedures should be submitted to producers affected and subject to approval by a simple majority vote;

h) Periodic review referendums should be financed and conducted by the federal government every fifth year, with no producer funds used to influence the voters. A simple majority of producers voting in a referendum shall be able to recall a commodity checkoff program. USDA shall make available the total number of producers;

i) When an assessment is collected from U.S. producers of a commodity, an equal non-refundable fee should continue to be assessed on foreign imports of that commodity, in either raw or manufactured form. Any special provisions extended to U.S regions, remote states or territories should not be extended to imported products;

j) The assessment should also be collected from those integrators who are currently exempted by virtue of being in a vertically integrated operation;

k) Periodic independent, outside evaluations and audits should be conducted to ensure that the benefits of the program outweigh the costs to producers, with copies of the audits available to all who pay the assessments;

l) Procedures should be provided to enable producers to immediately obtain refunds of the research and promotion funds they were assessed;

m) Research funds generated through producer assessments should not be used as a substitute for publicly generated research funding;

n) Farmers and ranchers have the right to designate the use of the checkoff dollars he or she contributes for research, , promotion, expanded cooperative development or nutrition programs and food banks;

o) Prohibiting the use of dairy producers' checkoff money to conduct research into the use of casein and/or MPCs in the making of cheese and other dairy products, or to promote anything other than U.S.-produced natural dairy products;

p) Mandatory producer assessments should not go to organizations that engage in lobbying. No funds should be donated or contracts provided to organizations that carry out political or lobbying activities or to their shared staff, even if records are kept which separate their activity. Severe criminal penalties should be assessed for using funds for personal, political or lobbying activities;

q) The payment of a mandatory commodity checkoff must not constitute membership in a producer organization; and

r) Producer-funded research should remain the property of the producers. Patents granted as a result of the research should also belong to the producers. Royalties collected should be returned to the producers' research fund.

6. Grain Standards

Our nation's grain standards fail to reward producers for production of clean, higher-quality grain. The current standards provide a wide margin for manipulation by grain buyers and processors through blending and other devices. The grade limitations are arbitrary, permitting buyers to establish large discounts on factors that are not

necessarily related to real differences in the value of a given commodity. Our grain standards also fail to identify many quality characteristics related to the actual end-use value of the commodity.

We support:

a) Producers receiving a premium for higher quality grain;

b) Regulation or legislation that provides a consistent grading and moisture discount scale that is monitored and enforced at the local elevator or mill; and

c) An overhaul of our nation's grain standards so our producers can more effectively compete in world markets based on the quality of their production.

Revised standards should:

a) Reward positive actions taken by producers, such as genetic improvement and sound grain-handling practices;

b) Establish grade and non-grade factors that can be commonly understood and mutually determined by producers and end-users;

c) Adopt dry-matter grading by the grain trade as a better and fairer way of compensating the grower for the grain delivered to the elevator;

d) Be implemented in such a manner that the grade determined at the time of the initial sale is consistent with the grade received by the end-user;

e) Ensure testing standards that reflect actual grain quality; and

f) Establish standardized tests that are accurate and reproducible.

7. Grain Inspection

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

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

a) Prohibit and penalize exporters adding foreign material or moisture to any commodity for overseas shipment;

b) Require export customers to pay for shipments on a clean-grain basis, just as farmers are paid on a clean-grain basis;

c) Provide grain inspection personnel to spot check U.S. grain at foreign ports to determine whether it is of the same kind, class, quantity and condition that was certified upon shipment;

d) Prohibit the imposition of user fees for the inspection and grading of agricultural commodities. Federal inspection and grading of such commodities is in the public interest and should not be charged to the producer;

e) Continue to investigate grain companies as to the total pricing system and any quality discounts such as those for protein schedules, test schedules, DON (vomitoxin) levels, falling numbers and scab; and

f) Prohibit privatization of grain export inspections.

8. USDA's Information Mandate

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

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

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

9. National Organic Standards *(also see Article I. D. Labeling of Commodities and Commodity Products)*

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

We support:

a) The enforcement and monitoring of the national organic standards promulgated by USDA;

b) Ensuring accreditation and certification costs do not discriminate against small producers, including support and funding for the National Organic Certification Cost-Share Program;

c) 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;

d) Maintaining organic livestock production standards that are uniform and account for feeding and animal health care practices for continuous or transitional organic management;

e) Prohibiting genetically modified organisms, irradiation and the use of sewage sludge that contains heavy metals;

f) Protecting organic producers from chemical and/or genetic pollution and provide reasonable redress for any damage caused by this drift; and

g) USDA negotiating trade arrangements to eliminate the need for National Organic Program (NOP)-certified U.S. farmers to certify through multiple international agencies.

10. Genetically Modified Organisms and Biotechnology *(also see Article I. D. Labeling of Commodities and Commodity Products)*

Genetically modified organisms (GMOs) have created a series of ethical, environmental, food safety, legal, market and structural issues that impact everyone in the food chain. Consumer and producer concerns need to be addressed. This includes required consumer labeling for foods made from or containing GMOs.

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

a) The development of new GMO traits when issues of cross-pollination, liability, commodity and seed stock segregation and market acceptance are objectively addressed and fairly resolved for the protection of all producers and consumers. While biotech traits are under patent, the patent holder should be prepared to indemnify its trait users against financial burdens caused by claims;

b) Research conducted in an environmentally secure facility being exempt from the above requirements. Research conducted in open fields production should be subject to mandatory public disclosure of: persons or entities initiating the research, location of test sites, specific species and traits involved and the characteristics of the intended resultant genetically modified plant to be created;

c) Legislation to prohibit the patenting of heritage seed and animal and biological genetics;

d) Legislation to prohibit the development of terminator technology in any form;

e) The right of farmers to plant seed derived from proprietary organisms on their own land;

f) New products involving GMOs be certified as safe by the FDA in testing done independently of the patent holder, before being allowed on the market. Such testing is to be done at the expense of the specific patent holders seeking to market such products;

g) Legislation requiring that patent holders or owners of GMO technology be held strictly liable for damages caused by genetic trespass including safety, health, economic and environmental effects. Farmers are not to be held liable for food safety, human health or environmental problems, including cross pollination, related to the use of GMOs as long as generally accepted crop production practices are followed;

h) Congressional action to regulate the biotech industry's technology agreements. Farmers should not have to sign away their fundamental rights, including but 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;

i) 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;

j) All data used in the analysis of the health and environmental effects of GMOs be public record, and that criminal penalties be established for the willful withholding or altering of such data;

k) Prohibiting government regulatory agencies from licensing genetically modified products that are not acceptable for both human consumption and animal feed;

l) Until USDA and FDA improve oversight and regulation of pharma crops, NFU cannot endorse or support pharma farming based on economic, environmental, food safety and liability risks to producers and consumers;

m) Requiring government regulatory agencies and input suppliers to ensure that farmers are informed of all potential market risks and segregation requirements associated with planting any licensed genetically modified crop;

n) Requiring USDA to further investigate and research the effects of GMO feeds on livestock;

o) Government regulatory agencies shall consider domestic and foreign consumer acceptance of the product when licensing;

p) 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;

q) Development of a verification system and a storage, transportation and marketing plan to aid farmers with non-GMO grains;

r) Identity-preserved systems and insist they receive protection from cross-contamination; and

s) 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.

11. Plant Variety Protection Act

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

We support immunity from legal action for grain handlers from consequences of “The Plant Variety Protection Act” when handling grain without a fee.

12. UN Treaty on Plant Genetic Resources for Food and Agriculture

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

a) Enhancing and diversifying the genome and plant genetic resources pools;

b) Recognizing farmers' contributions to the development and conservation of plant genetic resources by protecting farmers' rights, including the right to save seed; and

c) Keeping public research and research results in the public domain and protected from acquisition by corporations or other private entities to develop their own products derived from public research genetic pools.

13. Nebraska Tractor Test Laboratory

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

ARTICLE II - Agriculture Competition and Concentration

Inadequate market competition is one of the most pressing issues facing producers across the country. As evidenced by the sharp decline in the number of family farms in the past decade and the increasing trend toward horizontal and vertical concentration in the agriculture and food sector, independent producers cannot succeed in the absence of protection from unfair, anti-competitive practices. Competitive provisions should be established that ensure fairness, transparency, protection and bargaining rights for producers, and restore and enhance competition for agricultural markets.

Packers have always had the ability in most states to own animals for their company's personal use when the spot/open market for live animals from independent producers was higher than they wanted to pay. By slaughtering their own animals for days and even up to weeks the supply of livestock from independent producers would escalate causing the price on the spot/open market to drop. To further decrease the competition in the packing industry, the top four packers in 2011 controlled approximately 75 percent of the market. Economists state any concentrated market power over 40 to 60 percent would demonstrate a lack of competition in commerce within the respected industry.

A. Competition and Antitrust

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

1) Implementation of a temporary moratorium on large agricultural mergers, to provide Congress with time to review and strengthen current law as appropriate;

2) Requiring USDA to collect and publish concentration information;

3) Clarification of the Packers and Stockyards Act to allow individual producers to seek recourse for abuse of market power without having to prove competitive injury to the entire marketplace;

4) Requiring the Justice Department (DOJ) and the Federal Trade Commission (FTC) to require firms to submit information on joint ventures and alliances between firms above a certain size. In many cases, firms that are participating in joint venture arrangements behave just like firms that have merged and should be subject to the same level of antitrust scrutiny as mergers. The disclosure requirement should be set at a threshold sufficient to include firms that account for a significant percentage of market share at a regional level;

5) Requiring the DOJ and FTC to publicly disclose why a merger subject to antitrust review is approved;

6) Expanding the role of USDA to initiate and/or participate in the review of proposed mergers in the agricultural sector;

7) Requiring economic and environmental impact statements detailing the impact of a proposed merger on farmers, ranchers and consumers prior to approval;

8) Establishing an Office of Special Counsel on Competition within USDA to streamline and increase the effectiveness of USDA investigation and enforcement of competition laws;

9) Establishing a level of concentration that triggers a presumption of a violation of antitrust law to make it easier for the DOJ and the FTC to prevent high levels of concentration;

10) Repealing the Illinois Brick decision, to allow producers to hold retailers responsible for price gouging;

11) Prohibiting slotting fees that provide windfall profits to retailers and create a barrier for new firms and products;

12) Studying a target price program on a limited volume of production as automatic compensation for livestock producers when lack of antitrust enforcement or unfair imports damage their markets;

13) Congress repealing statutory provisions that exempt railroads from the antitrust injunctive actions, as well as the judicially developed Keogh doctrine that limits antitrust damage remedies;

14) Supporting state anti-corporate and contract producer protection legislation; and

15) Providing strong protection to employees that report non-competitive practices.

B. Livestock Market Reform

We support the following initiatives to reduce livestock market concentration and enhance competition: 1) Restriction of all forms of direct and indirect ownership or control of agricultural products by agribusinesses, including the prohibition of ownership, control and feeding of livestock by packing companies;

2) Encouraging development of farmer-owned cooperatives for marketing and processing;

3) Placing restrictions on the percentage of captive supply and that firm-bid pricing be established in forward contracts as directed in the Captive Supply Reform Act;

4) Making permanent the mandatory price reporting law. In an effort to increase transparency of mandatory price reporting Congress should implement the recommendations from the December 2005 Government Accountability Office (GAO) report;

5) Protecting livestock producers from unfair competition and monopolistic practices by strengthening the definition of the Packers and Stockyards Act. All livestock producers should have equal access to markets that do not discriminate against family-farm livestock producers; and

6) Enacting legislation that clearly defines and prohibits volume-based price discrimination in livestock markets.

C. Poultry Market Reform

We support enacting legislation to give USDA's Grain Inspection, Packers, and Stockyards Administration (GIPSA) full enforcement over poultry. We also recommend for the protection of poultry growers:1) Extension of the protection of Packers and Stockyards Act to producers who grow and care for breeder hens, pullets and commercial eggs, not just 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 producers, 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 that 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 provisions in the 2002 Farm Bill to allow 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.

ARTICLE III - International Trade, Cooperation and the Family Farm

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

The measure of the success of a trade agreement has to be its benefit to U.S. agriculture and specifically of its producers' net income. Vague promises of "market access" to foreign markets do not offset opening our borders for even larger amounts of foreign-produced goods to enter our markets. Market access does not equal market share.

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

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

A. Agricultural Trade Negotiations

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

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

2) Allow U.S. producers the right to distinguish their products from those of other countries and 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 the cause of, and need for, trade distorting practices including domestic food safety and 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 medical 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 non-market costs/benefits of agriculture (multi-functionality);

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 food 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;

15) Address all forms of agricultural trade and production-distorting policies, actions and interventions in a comprehensive and equitable fashion, including traditional trade issues as well as monetary, labor and environmental policies that convey competitive trade advantages;

16) Allow the United States to impose trade remedies against nations using currency manipulation to gain an unfair trade advantage;

17) Have a speedy and fair method of resolving disputes among trading partners, and have provisions to account for foreign currency revaluations as well as labor and environmental standards;

18) Allow flexibility for individual nations to provide economic safety net programs and address unforeseen production, market and trade circumstances;

19) Encourage a balance of increased and transparent market competition, limits on the concentration of market power and coordinated public competition policy to ensure the efficient and appropriate allocation of resources within all agricultural sectors;

20) Maximize the opportunity for individual and cooperative participation in all segments of agriculture;

21) Create an effective, efficient, timely and transparent implementation, compliance and dispute resolution process; and

22) Prevent further conversion of the Amazonian rainforests to production agriculture to preserve their essential biodiversity and their vital role in carbon sequestration and the global climate system.

We support the following current negotiating topics:

1) Unified, worldwide elimination of export subsidies;

2) Increased transparency and market disciplines of state trading enterprises;

3) Greater equity and balance in agricultural tariff and tariff rate quota regimes;

4) Development of an improved and more inclusive methodology for measuring the level and impact of domestic support programs, including green box supports and effective subsidies conveyed through monetary policy and labor and environmental regulation;

5) The rights of countries to address the circumvention of tariffs and tariff rate quotas by trading partners;

6) The need to provide consumer information (labeling) on agricultural products as a means to address food safety concerns and enhance market access;

7) National flexibility in the design and implementation of domestic support programs within reasonable negotiated limits such as the Trade Adjustment Assistance program;

8) Cooperative development, implementation and enforcement of competition policies;

9) Utilization of end-use certificates to monitor the flow of all agricultural imports; and

10) Allowing countries to restrict the import of agricultural commodities that are contaminated or infected with disease or other toxic or noxious organisms that threaten domestic production and/or food safety, i.e. soybean rust, from South America.

We oppose:

1) Elimination of tariffs, tariff rate quotas and domestic trade remedies utilized to counter the effects of dumping and other unfair trade practices including the use of monetary, labor and environmental regulations that create competitive trade advantages;

2) Elimination of “credit” for supply management programs (blue box); and

3) Requirements that domestic support programs be de-coupled.

B. Trade Promotion Authority (Fast-Track)

We oppose fast-track negotiating authority for the president. We oppose the fast-track system of ratification of trade agreements in which the entire trade package must be approved without amendment or rejected in total by Congress within a 60-day limit.

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

C. Unfair Trade Practices

Unfair trade practices cause a significant economic burden on domestic producers. Therefore, we support:

1) Anti-dumping petitions on behalf of all U.S. producers;

2) Creation and implementation of a "green tariff" to be imposed on all imported goods and services produced or created under less restricting environmental constraints than those originating from U.S. sources;

3) Re-establishment of the Byrd Amendment;

4) The U.S. Trade Representative investigating countries for revocation of Generalized System of Preferences (GSP) benefits from countries that may no longer qualify for programming; and

5) Revoking GSP benefits from Argentina.

D. Health and Inspection Standards for Food and Fiber Imports

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

1) Increased funding and number of inspectors for the Agriculture Quarantine Inspections Program and transfer inspectors back to USDA from Department of Homeland Security (DHS);

2) Legislation to pass "circle of poison" prohibiting the export of chemicals not registered for food and fiber uses in the United States for food and fiber uses in other countries;

3) Strict monitoring of imports to prevent importation of residues of chemicals 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. Processing facilities for such imported products should be inspected at least annually;

5) 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

6) 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 required 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 all 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 nor 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 food 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

4) The adequate compensation of indigenous peoples for the consumption of their resources.

We oppose:

1)The dumping of agricultural products in developing countries which puts local farmers out of business and destabilizes local economies;

2) The forced removal of indigenous peoples from their traditional homelands; and

3) The exploitation of developing countries by forcing them to abandon domestic food security or lose indigenous food variety.

I. Farmer and Farm Youth Educational Exchange Program

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

ARTICLE IV - Credit and the Family Farm

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

1) Monitoring loan availability and servicing activities and to take necessary action;

2) Policies that ensure equal access to credit, regardless of gender or race;

3) A farm credit policy that is adequately financed and that includes the use of third-party lending agencies to help re-establish America's family farms and provide special assistance to beginning and socially-disadvantaged farmers;

4) The Federal Agricultural Mortgage Corporation (Farmer Mac) to continue as a viable source of long-term, fixed-rate credit for family farmers. Farmer Mac should be monitored to ensure that it follows the intent of Congress and helps family farmers, rather than transferring the ownership of land to corporate investors. Farmer Mac should not be used to weaken state borrower protection laws or penalize borrowers who make prepayments. Congress should amend the statute to streamline the operating structure and eliminate provisions that reduce Farmer Mac's efficiency in providing loan products with competitive interest rates to family farmers and ranchers;

5) The Federal Finance Bank, to expedite insured and guaranteed loan programs and oppose any attempts to reduce the volume of the bank, which would push borrowers into private sector credit;

6) Family farmers being eligible for Small Business Administration loans that are available to other businesses at low interest rates;

7) Cooperative credit unions, initiatives to allow farmer investments in credit unions and allowing farmers to obtain agricultural credit from credit unions;

8) Farmers Union organizations aggressively forming and furthering credit unions and promoting legislation on their behalf;

9) "Aggie Bond" programs allowed under federal law being enacted by state and local governments. These programs should not be used for loans for contract production unless the contract is approved as a USDA model 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) The Glass-Steagall Act of 1933 and urge a re-regulation of the financial services industry; 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 decreases or increases 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, as well as to stabilize existing family farm operations;

2) Increasing emergency funding so that it is available on a timely basis;

3) 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;

4) 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;

5) Permitting the guarantee of loans for stock purchases in the farmer-owned, value-added cooperative, as long as the cooperative can demonstrate its feasibility;

6) Allowing producers who have used debt restructuring to be eligible for all federal loans, including FSA and emergency loans;

7) Processing applications for credit and appeals in a timely manner to meet production demands;

8) 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;

9) Streamlining loan programs and/or appeals process;

10) Implementing debt restructuring, including debt forgiveness, as equitably as possible and allowing additional restructuring to be considered;

11) 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;

12) Increasing consistency and education on the county and state appeals process and FSA servicing responsibilities to the borrower;

13) Prohibiting the use of private collection agencies and offsets of income tax refunds to recover outstanding debt from borrowers who voluntarily liquidate their assets;

14) Increasing loan limits to at least $1 million with latitude to split the maximum authority between direct farm ownership loans (DFO) and direct operating loans (DOL);

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

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

B. Farm Credit System

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

We support:

1) Prohibiting differential interest rates for FCS member-borrowers because they are contrary to cooperative principles;

2) Encouraging an investigation of the discriminatory effects of differential interest rates;

3) Ensuring local control and participation of all FCS associations and banks while remaining on the forefront of good governance practices to keep the system viable for producers in the future;

4) Encouraging all FCS directors, officers and bondholders to take the lead in advocating improved farm income as the basic means of repaying farm debt and securing the FCS;

5) Encouraging FCS to enforce regulations governing the borrowers' rights sections of the Agricultural Credit Act of 1987, including the use of cease-and-desist powers when necessary;

6) Encouraging Congress to give past and present FCS borrowers the right to pursue litigation against FCS institutions they have done business with;

7) The banks of the FCS continue to be the primary source for financial services for farmer cooperatives and their associated businesses. We call upon member cooperatives to ensure that these institutions remain farmer-controlled;

8) Preventing FCS institutions from being sold to outside entities, thereby exiting the system. The ability to exit the system negates the benefits of farmer control and makes it difficult to replace the services mandated by the Agricultural Credit Act;

9) Prohibiting any efforts to extend the lending authority of the Banks for Cooperatives to businesses that are not cooperatives or are cooperatives or businesses that are in direct competition with the family farm;

10) Expanding FCS lending authority only to the extent it directly benefits family farmers, ranchers and rural communities. Expanded lending authority must support domestic investments and operations;

11) Ensuring the FCS maximizes that patronage and dividend distribution to its borrower-members so they have access to the FCS capital they helped to create;

12) Full access to rural credit for farmers, ranchers, fishermen and the communities in which they live. We are particularly concerned about the lack of available credit in rural areas with high unemployment, including, but not limited to Native American reservations;

13) Competition in lending to allow credit options for our members;

14) Jurisdiction of the FCS remaining under the authority of the U.S. House and Senate Agriculture Committees; and

15) All foreclosed or financially distressed farmland under FCS jurisdiction for sale being sold through open bidding.

C. Cooperative Financing

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

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

The National Cooperative Bank is an important financial resource for rural and urban consumer cooperatives and we encourage the bank to place greater emphasis on rural lending.

ARTICLE V - Farm Cooperatives and the Family Farm

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 and development of cooperative enterprises, and in the education of members and the public as to cooperative philosophy and principles.

A. Cooperative Law

A fundamental economic right of farmers is federal law permitting individual farmers to join together in cooperative 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 which 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 Agreement 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 interest of producers and consumers involved in the cooperative association.

B. Rochdale Principles

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

1) One vote per member regardless of the volume of business done by the member, with no proxy voting;

2) Elimination of bloc voting;

3) Directors elected by active members;

4) Savings/earnings of the cooperative distributed back to the member-users in proportion to the members' patronage volume;

5) Limited interest/dividends on invested capital;

6) Sales at competitive prices, and trading normally conducted on a cash basis;

7) Open membership to all who share the common bond and objective of the co-op;

8) A continuous cooperative education program to teach cooperative philosophy, principles and operation, funded by five percent of a cooperative's net margin; and

9) Cooperatives working for the sustainable development of their communities through policies accepted by their members.

C. Additional Principles

To further the cooperative movement, we support:

1) Encouraging cooperatives to return to the original intention of Capper-Volstead which allows cooperatives to collectively process, prepare for market, handle and market in interstate commerce;

2) Prohibiting cooperatives from engaging in domestic and foreign agricultural production activities, including land ownership in direct competition with agricultural producers;

3) Continuing the rights of cooperative members to organize and operate regional and interregional cooperatives (marketing agencies in common) or to merge with other cooperative associations and not be restricted by law or 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 benefiting from the receipt of nontraditional income in events, such as litigation involving indiscretions, to expeditiously distribute the proceeds to all parties harmed by the indiscretions;

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 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.

D. Teamwork of Farmers Union and Cooperatives

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

E. CHS

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

CHS should assist or cost-share with member cooperatives in updating their station canopies or other signage if required as a condition of membership.

We oppose CHS owning land in other countries (i.e., South America) and producing crops that will be in direct competition with farmers in the United States.

ARTICLE VI - Water and Land Policy, Conservation and the Family Farm

A. Objectives of a Comprehensive Land Policy

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

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

1) Recognizes multiple use values of public lands while striving for sustainable use in all areas;

2) Emphasizes agriculture as the most productive use of existing high-quality farmland;

3) Recognizes the right of private landowners to be compensated for government land-use restrictions amounting to a taking of property;

4) Recognizes the value of independently owned and operated family farms to stewardship of natural resources;

5) Develops education and outreach materials for the public to achieve land use goals for the benefit of future generations;

6) Encourages entry into the business of farming or ownership of agricultural lands by farm families, as opposed to non-farm interests or larger than family-sized corporations;

7) Allows states to prohibit corporate interests from circumventing corporate farm laws by contracting with individual producers;

8) Strengthens and enforces state laws to protect family-owned and -operated farms;

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

10) Recognizes the importance of wetlands (*also see Article VI. U. 7. Wetlands*).

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) Tax incentives to assist beginning farmers in acquiring land;

4) 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;

5) Reasonable size and time limits being placed on holdings in order to return the land to local tax rolls as quickly as possible;

6) Maintaining existing effective conservation practices when land is transferred;

7) Requiring FSA to hold public hearings before it is allowed to acquire land easements and automatically impose conservation easements; and

8) 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) Reinstitution of local grazing committees;

4) Public-land managers assisting public-land permittees to develop their own goals and grazing plans that would be utilized in managing their public-land grazing allotments;

5) Linking the holding of grazing permits with actual ownership of grazing animals by resident family farmers and ranchers;

6) A certified mediation service for all disputes regarding grazing with the U.S. Forest Service and Bureau of Land Management;

7) Public-land grazing legislation to require that in disputes between public-land managers and permittees, the permittees be advised of their rights under Section 8 of the PRIA which authorizes land-grant university staff to provide assistance and advocacy services to permittees;

8) Efforts to establish grass banks on public lands;

9) Allowing ranchers to travel by motorized vehicles, control predatory animal populations, continue range improvements and develop water resources;

10) Requiring the federal and state governments to pay the full amount of the “in lieu of property tax” (PILT) payments on agricultural lands that it acquires for wildlife and similar purposes. If full payment is not made, there should be a moratorium on any further land acquisition by the agency that fails to meet its responsibility;

11) Reimbursing family farmers and ranchers by the appropriate government agency, at a fair market value, for expenses incurred in the acquisition, development and improvement of public grazing lands in the event permits are revoked;

12) Public access to federal and state lands being only on designated routes;

13) Encouraging public-land managers to support and facilitate the formation of locally owned cooperatives and businesses to harvest and process forest products;

14) 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;

15) Notifying permittees of proposals to revise, update, create and otherwise modify plans that govern use of public lands in advance of public hearings, including draft plans; and

16) The use of public lands for the development of energy production and transmission with priority given to renewable energy.

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 to 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;

7) Legislation that would allow the buyout of grazing permits on federal lands; and

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

E. Grazing Lands Conservation Initiative

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

We support:

1) Working cooperatively with the GLCI to promote the benefits of sustainable grazing practices and their continued line-item funding; and

2) Restoring NRCS annual appropriations for conservation technical assistance at the field office level to adequately meet the needs of America's farmers, ranchers and landowners.

F. Forest Health

We support:

1) Maintaining Categorical Exclusion capability in federal forest management plans to address forest health issues, so the U.S. Forest Service can accelerate the harvest of small timber stands in western U.S. forests;

2) That federal and state forests be accessible to the renewable energy industry to allow the use of devastated wood product in environmentally beneficial value-added products; and

3) Implementation and full funding of efforts to minimize the effects of the bark beetle epidemics on the national and state forests throughout the western United States. Federal, state and private programs must be approved immediately to protect open space, wildlife habitat, watersheds, clean air and other natural resources as well as infrastructure such as roads and utility lines for public safety.

G. Water Quantity and Quality

1. Water Quantity Distribution

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

We support:

a) The use of water storage through impoundment structures and conservation measures as a primary tool for water development;

b) Adoption of legislation to protect agricultural water rights through state water rights in order to prevent future power and energy plants from consuming water to the detriment of agriculture;

c) Requiring new energy plants to return water to a level of quality capable of use by agriculture;

d) Subjecting new large enterprises that will use a significant quantity of water to a permitting process to assess the environmental and community impacts of the proposed use;

e) Enforcement of the limitations on the size of farm operations eligible for federally subsidized irrigation water;

f) Deferred implementation of the U.S. Bureau of Reclamation regulation on the use of federally developed water supplies and facilities and the practice known as “water spreading.” The economic impact of any policy changes on family farmers and rural communities should be completed before implementation;

g) Water leasing instead of buy and dry policies; and

h) The United Nations adding a 31st article to the 1948 Universal Declaration of Human Rights, establishing access to clean and potable water as a fundamental human right.

We oppose:

a) 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;

b) Any efforts by the federal government through the usage of a national water policy to usurp the rights and prerogatives of the individual states;

c) 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;

d) Producers bearing the cost of inventorying 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

e) 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:

a) The creation of a national database on the extent of water quality problems, including nationwide voluntary well-testing programs that include cost sharing for landowners;

b) Legislation or regulations affecting groundwater balancing these interests in an effort to keep groundwater from becoming contaminated in the first place, and to move quickly to clean up already contaminated sources of drinking water;

c) Continued implementation of the Safe Drinking Water Act;

d) The uniform administration of Environmental Protection Agency (EPA) policies throughout the nation. Adding to the list of contaminants that municipalities and rural water districts are required to test for, as mandated by EPA, must be backed by science. We encourage EPA to stop its practice of targeting specific regions with stricter standards than applied in non-targeted regions. Failure to curb this practice will likely result in an exodus of sensitive industries, including family farms, thereby jeopardizing the level of economic activity within the targeted region;

e) Requiring inspectors be public employees, rather than employees of the companies who are being regulated;

f) Information and education concerning the present condition of our underground water supply and what we can and should do to prevent any further contamination;

g) Efforts in research that clarify the issue of point source pollution and non-point source pollution;

h) Programs to protect and improve the quality of surface waters, such as the Chesapeake Bay Program, and urge that all who use the resource, such as boaters and fishermen, be included in the effort;

i) Producers participating in the State Watershed Assessment Program (SWAP);

j) CAFOs being required to post the appropriate bonds to cover the cost of cleaning up any contamination of land and water resources. When posting these bonds, CAFOs should also be required to develop and submit waste storage closure plans;

k) National minimum guidelines, or standards, that give primacy for implementation and flexibility in regional planning to the states. A national policy should discourage polluters from “shopping” among the states for the lowest environmental standards and encourage states and localities to establish standards beyond the federal minimums;

l) 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;

m) 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;

n) Research to determine the environmental impact of animal-feed content on animal waste, which in turn affects the soil and groundwater;

o) Family farmers being appointed to serve as advisers to any federal agency when a national waste standard is developed;

p) Targeting water subsidies to family-sized farm operations to conserve water and taxpayer dollars; and

q) Mandatory disclosure of materials used in the drilling and hydraulic fracturing process.

We oppose:

a) The method of deep-well injection of hazardous waste because of the risk of contaminating our water sources;

b) Legislation that restricts livestock grazing in pastures where running streams or ponds are located. We oppose mandatory fencing of rivers, streams and ponds;

c) In situ leach mining; and

d) Any infrastructure or resource development that jeopardizes the health, safety and quality of the Ogallala and other freshwater aquifer resources.

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 watersheds, i.e., streams that are impacted by pollution. Compliance with mandatory state and federal watershed TMDL regulations will create a hardship on family agricultural producers for compliance with state and federal water quality standards.

We support voluntary compliance and incentive-based, cost-sharing programs currently working to minimize production agriculture's impact on our nation's water quality.

We oppose:

a) Broadening the definition of what waters are considered jurisdictional under the Clean Water Authority Restoration Act;

b) The deletion of the word "navigable" waters from the federal Clean Water Act which would expand the taking of private property and provide additional intrusiveness; and

c) Current rulemaking by EPA that would establish regulatory-based TMDLs for family agricultural producers.

4. Drought Monitoring

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

H. Air Quality

Production agriculture should be exempt from the regulating of particulate matter.

Agriculture should be a stakeholder in research and education about the role of agricultural production in particulate matter emissions.

I. Animal Feeding Operations (AFO)

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

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

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

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

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

J. Confined Animal Feeding Operations (CAFOs)

We support requiring permits for large-scale feeding operations, i.e., those confined 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 applicants 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 pounds of poultry waste to be applied per acre as a part of the nutrient management plan;6) Permit applicants for a large-scale facility must serve notice to the public 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;

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 and Herbicide Regulation

We support pesticide and herbicide regulations that include:

1) An exemption from liability through EPA for groundwater cleanup for farmers who applied pesticides according to label directions;

2) Provisions emphasizing protection of uncontaminated groundwater and providing means to keep residue levels from increasing;

3) Access to health and safety information for farmers, farm laborers and emergency medical personnel;

4) 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;

5) 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;

6) Restrictions on the import of food products produced with such pesticides, with more frequent inspections at borders to protect consumers from unsafe pesticide use;

7) 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;

8) Cooperation among farmers, chemical companies and governmental agencies to reduce pollution hazards, until biological controls or other effective alternatives to pesticides are available;

9) The creation and implementation of safety standards protecting children from exposure to pesticides;

10) Continued prudent use of approved chemicals for crops, including expedited registrations for minor use pesticides and requiring EPA to use peer-reviewed science in their registration review process;

11) Chemical manufacturers increasing the use of reusable, pre-measured, water-soluble and bulk containers;

12) Federal assistance for recycling containers and in establishing central locations for disposal of chemical containers;

13) Standardization of farm chemical prices and regulations between the United States and other countries;

14) Fair pricing of chemicals and herbicides not tied to commodity prices;

15) Full funding for the IR-4 minor crop pesticide registration program; and

16) The Federal Insecticide, Fungicide, Rodenticide Act (FIFRA) as the primary regulatory act for applications of pesticides and insecticides by farmers and ranchers. Any additional permitting required by EPA under court mandate should mirror existing recordkeeping, education and training requirements.

L. Fertilizer Regulations

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

We support:

1) No hazardous waste being included in fertilizers;

2) Manufacturers labeling all ingredients in fertilizers and providing notification to buyers;

3) Anhydrous ammonia continuing to be classified as non-hazardous for the purposes of transporting nurse tanks on public roadways; and

4) The federal government stepping up enforcement of the illegal production of methamphetamines and fully fund measures to prevent the theft of agricultural materials and cleanup of confiscated methamphetamine labs.

M. Infestation Control

Much of the current infestation problem is attributed to insect population growth on public lands. Animal and Plant Health Inspection Service (APHIS) needs increased funding so it can properly inspect all imported agricultural products, monitor insect hatch and damage, and coordinate control measures in states affected by infestations, such as gypsy moths, grasshoppers, fire ants or coffee berry borers. Federal grants or cost-sharing on both public and private lands should be made available for dealing with widespread infestations of insects.

APHIS should increase monitoring, inspection of imported products and vigorous control and eradication measures to ensure that invasive species be eliminated.

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

N. Noxious Weeds

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

O. Controlled Field Burning

Controlled field burning is a viable farming practice.

We support:

1) The right to safe burning when necessary; and

2) Ongoing research to discover economically viable alternatives to burning.

P. Landowner Rights

We support:

1) Private property rights, including ownership of land and all its attributes above, on, and below the surface, unless otherwise marketed;

2) Land lessees' rights;

3) Just compensation to farmers and ranchers who suffer losses as a result of any state or federal agency ruling;

4) Local control; and

5) The expiration (null and void) of any pipeline or utility right-of-way grant five years after abandonment or period of non-use for the original purpose or use of the grant.

We oppose:

1) The concept of the public trust doctrine, including the "big open concept," and the resulting confiscation of private property; and

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. We urge legislation to apportion the present real estate tax between the surface owner and the mineral owner.

Q. Eminent Domain

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) 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;

3) Severance damages including payment for the diminution of remaining land values, increased expenses and inconvenience suffered by affected landowners and operators;

4) All initial court expenses, including attorney and appraiser fees, being borne by the constructing agency in condemnation proceedings;

5) Values being determined by appraisers agreed upon by all parties;

6) Easements for utilities being for the life of the utility only. If new equipment is installed on an existing easement, the landowner should be compensated at the fair replacement value, based on the time of the new installment. The landowner should receive an ongoing cash payment from the project. If the entity is for profit it should not fall under the eminent domain law;

7) Owners being compensated with appropriate annual payments or a lump sum of no less than three times the appraised value;

8) Federal and/or state legislation that would strengthen private property rights against the use of eminent domain to transfer property to any private person, non-governmental entity or other public-private business entity;

9) Restricting the use of eminent domain by state and local governments for the purpose of “economic development” when it involves taking private property from one owner and giving it to another private entity; and

10) Offering seized property back to the original property owner if property is not used in a timely manner or if property is not used for its original public use intent.

We oppose:

1) The use of eminent domain without the developer putting into place environmental safeguards and assuming liability for damages;

2) The acquisition of productive farmland through use of the eminent domain process to extend wildlife habitat; and

3) Granting eminent domain authority to any foreign entity.

R. Zoning

We support:

1) The preservation of farm units in any rezoning efforts. Any state and federal legislation should recognize that agricultural land must be preserved for the future. Family farmers should be represented in all relevant zoning deliberations;

2) Farmland near areas already converted to urban or other uses, which may be appreciating in speculative value, being taxed as agricultural land as long as 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 lands. We favor zoning laws prohibiting development of areas that flood frequently; and

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.

S. Farming Operations

All federal agencies should respect existing farming operations' right to farm, especially under the pressures of urban encroachment.

We support just compensation to farmers and ranchers who suffer economic losses as a result of any state or federal agency ruling.

We oppose any EPA policy directive that would mandate the testing and/or certification of farmland unless a federal fund is established to pay necessary costs of meeting certification requirements.

T. 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 cap and trade 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 emissions cap; and

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.

We oppose considering international indirect land use changes when determining U.S. carbon and energy policy.

U. Conservation

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) and encourage collaborations with local Soil and Water Conservation districts;

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 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) 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;

6) A payment system that moves toward an outcome-based approach where real changes and environmental benefits are tracked and rewarded;

7) Programs being based on voluntary automatic signup and preclude the use of a bidding system;

8) Basing a producer's conservation plan on relevant, locally identified priority resources of concern, in addition to addressing the various resources on the farm. Once the plan is filed with NRCS and implemented, a producer should be deemed to be in compliance with all federal agencies. Producers should be allowed to remedy inadvertent or unavoidable failures to carry out conservation plan practices, and penalties should be based on the degree of the violation. Loss of full federal farm program benefits should be imposed only in cases of purposeful destruction of conservation practices. Current conservation compliance requirements allow too few options to account for local involvement, climatic conditions and geography, which are beyond producer control. If a producer is working with a government agency to remedy a specific environmental problem, the producer should not be penalized for any other problems that are discovered, but rather, the agency should work with the producer to solve the problems;

9) Federal financing to meet clean water and air standards of the Environmental Protection Agency (EPA) being available to farmers from funds appropriated by Congress for this purpose, and that such funds be administered through the farmer-elected committees;

10) Adequate funding to enable the small watershed programs to provide for the maintenance and rehabilitation of existing structures built under P.L. 534 and P.L. 566, as well as to build additional structures to provide flood control, livestock water, irrigation water and recreation benefits to rural America;

11) State efforts to create cost-share programs for soil and water conservation practices; and

12) The continuation and expansion of the Environmental Quality Incentive Program (EQIP), which provides federal cost-share and technical assistance to enable farmers to comply with environmental requirements, and urge full appropriation of existing authorized funding and an increase in future funding.

We support:

a. Appropriate caps on funding levels to assure funds are being directed to family farmers and ranchers,

b. Preference and priority given to family farmers below a 1,000 animal waste unit threshold,

c. The agriculture secretary prioritizing the use of EQIP funds for family farmers and ranchers, taking into account the geographic differences in farming and ranching operations,

d. EQIP program eligibility and cost-share levels being consistent with commodity program eligibility and payment limits, and

e. USDA funding public and private research and development of composting and that composting be eligible for cost sharing under EQIP as an enhancement of pollution control.

We oppose conservation program provisions which exclude or penalize producers who are early adopters of stewardship practices.

1. Land Retirement and Easement Programs

We urge full funding of the Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP) and Grasslands Reserve Program (GRP).

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

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

2. Conservation Reserve Program (CRP)

We support:

a) CRP contracts and contract extensions which maintain CRP lands in private ownership of resident family farm and ranch operators;

b) Program payments being competitive with local land values and/or rental rates so as not to discourage participation;

c) A 25-percent-per-county acreage limit for CRP, unless it is determined that lifting the cap would address local endangered species concerns and not have a negative economic impact on rural communities;

d) Adequate funding to ensure close monitoring by the Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA) to enforce contract requirements for adequate weed, erosion, insect and fire control;

e) Enrollees being allowed to manage permanent, vegetative cover to enhance wildlife habitat and ecosystem health;

f) Land owners' rights to collect hunting or recreational use fees on land enrolled in the Conservation Reserve Program;

g) When extending CRP contracts, programs being better focused to serve the needs of family farmers and ranchers and to protect highly erodible land and other environmentally sensitive lands;

h) Land enrolled in CRP shall have an end-of-contract plan in place for use of the land following the contract expiration date that takes into account erodibility, soil type and conservation practices;

i) Voluntary participation to transfer CRP lands that qualify for the Wetlands Reserve Program to that program;

j) Evaluation of all CRP lands currently or previously enrolled in the program for contract re-enrollment. The most environmentally sensitive land should be given first opportunity for contract. Land enrolled in CRP that is critical habitat for endangered species should be given an extension of up to 15 years. CRP lands diverted into long-term timber and forestry conservation projects should be given a high priority for contract re-enrollment;

k) Financial and technical assistance being provided to producers in preparing CRP acreage for sustainable agricultural systems that will meet established conservation standards;

l) Land managed with appropriate organic standards while enrolled in CRP being eligible for organic certification upon leaving the program;

m) Land that was farmed prior to being enrolled in CRP being eligible for crop insurance upon contract expiration;

n) In times of extended drought conditions or other 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;

o) Restoring maximum program enrollment to 39.2 million acres;

p) 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;

q) Planting property to shelterbelts or 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;

r) An expedited process to adopt rules and regulations to reenroll or to extend Conservation Reserve Program contracts;

s) Allowing approved CRP conservation cover crops to be used for biomass production in areas where needed. CRP payments would be paid on these acres in years when biomass is harvested; and

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:

a) Development of new markets for products of perennial systems, such as biofuels and feedstock crops; and

b) 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:

a) Full funding and implementation of the Conservation Security Program contracts written under the guidelines of the 2002 Farm Bill;

b) Ensuring that USDA implements the CSP provisions of the 2008 Farm Bill as a full, nationwide and unrestricted program. No reduction or limiting structures or schemes should be instituted in contradiction to the intent of Congress; and

c) Implementation of the CSP in a manner which recognizes conservation practices appropriate to different climactic regions and provides for such agricultural production practices to be adequately scored by the Conservation Management Tool (CMT).

5. Conservation Land Diversion

In addition to the CRP, we support developing a short-term conservation land diversion program to allow producers to take land out of production for 1-3 years in times of surplus. Participants would be required to use Best Management Land Practices and would be compensated based on a percentage of the county rental rate for the land. The amount of land placed in the program would be limited to a certain

percentage per farm. Land would be eligible to be cropped or put back into the diversion program after the initial period.

6. Sodbuster and Swampbuster Provisions

We support:

a) Provisions that give the secretary of agriculture greater discretion in handling sodbuster and swampbuster violations. FSA should be the single regulatory agency;

b) The goal of soil conservation practices being to reduce soil losses to tolerable levels, or "T-levels;"

c) Alternative conservation systems being used only in cases of financial hardship, after recommendation of local conservation officials; and

d) A federal sodsaver provision which disallows the payment of farm and crop insurance subsidies and linked federal or disaster relief for the financial assurance of crops planted on land without any previous cropping history.

7. Wetlands

We support:

a) 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;

b) Making the NRCS and FSA the lead agencies in wetlands delineation on agricultural land;

c) Any and all wetlands determinations throughout the United States rely on the presence of all three of the following mandatory wetland criteria simultaneously appearing on the same site year round:

1. Hydrology,
2. A predominance of hydric soil, and
3. A prevalence of hydrophytic vegetation;

d) All existing wetland determinations being re-evaluated under the proposed manual's uniform definitions and procedures with the elimination of buffer zones, with determinations made in 60 days or less;

e) The federal government consulting with state and local governments to develop a unified, mutually agreeable management program to protect our nation's wetlands;

f) Wetlands management programs balancing wetland values and the needs of the various states and their political subdivisions and individual property rights;

g) Any leaseholder, renter or owner being compensated equitably for the taking of lands through the classification of wetlands;

h) The final interagency manual be revised with greater consideration for the food and fiber producers of the United States;

i) Wetlands of less than one acre not fall under any jurisdiction of state or federal agencies;

j) When dealing with farmland, consideration being given to the economic and environmental impact on agriculture;

k) In cases where adjacent landowners are not affected, landowners being able to move water within the contiguous boundaries of their own property without regulation, interference or easements;

l) Water outside the boundary of a wetland being considered sheetwater and not subject to jurisdiction by state or federal agencies; and

m) NRCS and FSA cooperating with state and local agencies on wetland mitigation.

V. Predator and Rodent Control

We support:

1) Restoring the original intent of the 1931 Animal Damage Control Act (ADC) which mandates the federal government protect the livestock industry from predatory loss. To the extent that an adequate ADC program is not available to farmers, we recommend that a federally financed indemnity program be instituted to pay for crop and livestock losses;

2) Judicious use of control practices being continued on federal and state lands to control coyotes, feral hogs and other damaging species. Control practices on private lands must be done with landowners' permission;

3) Farmers and ranchers being allowed to defend against predatory animals, including those on the endangered species list, on their land by using the most effective, safe, economical and humane means; and

4) U.S. Fish and Wildlife Service assuming full responsibility for any livestock losses resulting from the reintroduction of non-domesticated animals.

We oppose the reintroduction of predatory animals.

W. Endangered Species

We support:

1) All impacted industries and individuals being compensated for actual annual 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) 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 that 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 of 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 people 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

4) 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.

X. Army Corps of Engineers

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

Y. Nuclear, Radioactive and Toxic Wastes

We support:

1) Enactment and vigorous enforcement of legislation, both federal and state, to prohibit dumping of nuclear, radioactive, toxic and other hazardous wastes in the United States without detoxification;

2) Development of hazardous waste encapsulation and disposal methods with stricter enforcement of laws on transporting, handling and disposal. The current practices of disposing of hazardous wastes in existing landfills and surface mine sites, spreading hazardous wastes and class B biosolids on land surfaces, and injecting hazardous wastes in deep-well sites should be discontinued. Alternative disposal sites should be identified which eliminate the risk of surface and groundwater contamination, protect the health and safety of citizens, and protect the soil and water of agricultural lands, from which the nation's food is produced. Final decision-making authority for determining disposal sites and methods must be vested in the citizens who are directly affected by the site;

3) Disposal of chemical weapons that insures the health of nearby communities, agricultural markets and the environment; and

4) Research into thorium or other fuels to replace uranium in nuclear plants.

Z. Surface Mining

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

We support:

1) Strong enforcement of the Surface Mining Control and Reclamation Act including hard rock;

2) Ensuring that land stripped to recover underground resources is returned to its original or better condition;

3) Public involvement in the monitoring and enforcement of the surface mining law; and

4) Mandatory public disclosure of chemicals used in the mining process.

ARTICLE VII - Energy and the Family Farm

A. National Policy

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

We urge Congress to address additional elements of a national energy policy including:

1) Making the development of renewable sources of energy our number one priority in reducing our dependence on fossil fuels;

2) Ambitious mandates for renewable energy production;

3) Equitable distribution and efficient development of energy while assuring appropriate production of food and fiber;

4) Incentives for environmentally safe domestic exploration, drilling and development to assure a reasonable degree of self-sufficiency and mitigate all negative economic consequences incurred by farmers, fishers and fishing businesses by such exploration and subsequent drilling resulting from said exploration;

5) A balance of energy needs with a sustainable environment;

6) Concern for the survival of independent oil producers through the elimination of the oil depletion allowance on all but domestic production;

7) Opposition to federal deregulation of the electric utilities industry;

8) Supporting the establishment of a stand-alone Energy Efficiency Resource Standard that will achieve, by the end of 2020, electricity savings of 15 percent and natural gas savings of 10 percent (using 2010 levels as the baseline), including savings from new building codes and equipment efficiency standards;

9) The right of farmers to feed back into the commercial energy system power produced in excess of farm needs, at equitable rates. Farmers should be encouraged to utilize both agricultural crops and agricultural byproducts in the production of energy; and

10) Country-of-origin labeling for fuels, requiring the secretary of energy to implement country-of-origin disclosure requirements with respect to fuels.

B. Distribution

1. Petroleum Supply

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

a) The U.S. government to ensure a necessary level of refining to process the crude oil that would be available in a petroleum-supply emergency;

b) Crude oil at competitive prices to be made available during an emergency to refineries so the resulting petroleum products will be provided to the agricultural sector;

c) Strategic Petroleum Reserve supplies being allocated to cooperative and other independent domestic refineries at equitable prices at the early stages of any supply disruption;

d) The reserve being used only in shortfall of stock, not price, to avoid price manipulation; and

e) The creation of strategic reserves in other fuel sources, including ethanol.

We oppose:

a) Efforts to force conservation through excise taxes, and support a continuation of the farm-use exemption from such taxes;

b) Excise taxes on gasoline for deficit reduction purposes; and

c) Efforts to curtail or eliminate the Strategic Petroleum Reserve.

2. Electricity and Deregulation

We support:

a) Local regulation of power to ensure all U.S. residents having access to affordable, high-quality electric service;

b) Federal policy that would provide nonprofit power groups with the necessary credit and financial support to set up needed generating and transmitting facilities;

c) Electric utilities providing rate structures that offer an incentive to consumers to use off-peak power;

d) The development of wind and solar energy in rural community-owned power as part of the answer to the shortage of electric energy in certain parts of the country;

e) 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;

f) 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;

g) A national Renewable Portfolio Standard (RPS) of 25 percent by 2025 that includes a strong local ownership component;

h) When siting lines “cross country,” citizen input should be a first priority in the siting process; and

i) When new transmission lines and substations are placed, a yearly rental payment to the landowner should be established.

We oppose:

a) Infringement on the existing service areas of RECs by investor-owned companies;

b) Federally mandated restructuring of the electric utilities industry;

c) Development of local transmission lines which do not ensure financing for low-voltage upgrades which will be needed for many community energy projects to reach these larger grids;

d) NEPA studies on public lands for energy transmission corridors without local notification of landowners and local governments at the scoping process; and

e) Granting eminent domain authority to state or federal governments for merchant transmission or non-public utility projects; and any new nuclear plants in the United States until safety issues are reviewed and confirmed.

3. Economic Assistance

We support:

a) Utilization and adequate funding of the USDA Rural Utilities Service (RUS) to provide direct low-interest loans to rural electric cooperatives and their members to carry out renewable energy projects and energy conservation measures;

b) Expanding RUS's role to provide funding for financing renewable energy transmission and substations to community-based projects;

c) Assistance to landowner associations or groups to conduct renewable energy resource assessments and environment impacts studies; and

d) Full disclosure of all classifications of subsidies received by private utilities.

4. Public Ownership of Power Marketing Agencies and Power Generators

Public ownership has been an essential element in providing reasonably priced hydroelectric power to rural areas in the United States. Access to federally produced and subsidized power must be guaranteed to new and existing public or cooperative electric utilities.

We oppose:

a) The sale of one or more of these agencies. The sale of these public assets would threaten consumer-owned utilities, state institutions and federal installations with an uncertainty of power supply and would significantly increase wholesale power costs for large segments of rural America;

b) The sale, transfer, exchange, lease or other disposition of the federal Power Marketing Administrations (PMAs) and power plants and related facilities for the production and transmission of electricity. The sale of the PMAs will negatively impact control of the reservoirs and rivers and will eliminate existing environmental laws and regulations;

c) The sale of state-owned dams and other publicly owned power generators; and

d) Any recommendations and efforts to sell Tennessee Valley Authority's (TVA) power functions to private interests.

5. Hydroelectric Power

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

We support:

a) Continued development of hydroelectric power sites, where they are cost-effective and ecologically and environmentally compatible, and upgrading of current sites for better efficiency;

b) Amending the Federal Power Act to provide preference to rural electric cooperatives in the licensing and re-licensing of water power projects;

c) Inclusion of small hydro as an eligible project/technology for USDA and DOE incentive programs;

d) Inclusion of small hydro in national renewable energy legislation; and

e) Funds received from sale of public water that displaces hydro generation being returned to the generating authority.

6. Pipelines

We support:

a) An understandable process that clarifies when and how eminent domain can be used, who has what liability when there are damages from pipeline failure, siting standards and routing criteria, environmental considerations, 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;

b) Pipeline developers being barred from using non-disclosure agreements prior to, during and after contract negotiations; and

c) 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.

We oppose:

a) The classification of a private, foreign-owned pipeline as a public utility; and

b) 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 the majority of the transported material is for domestic consumption.

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 fees, 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.

We support:

a) 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;

b) The development and promotion of renewable energy sources appropriate to their location. Special emphasis should be placed on wind, solar, biomass and geothermal energy and biodiesel and ethanol research directed toward developing self-sufficient units suitable for farm, home, small industry and business use;

c) 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;

d) Availability of early stage development funds for feasibility studies, resource assessments and wildlife and other studies. Maximum funding levels for feasibility studies under the Rural Energy for America Program should be increased to $150,000 and cover all pre-development activities involved, including allowing adequate time for completion of thorough wildlife studies by public agencies;

e) Incentives for local development and ownership of renewable energy production in all forms, to support all agricultural sector and regions, such as the Rural Energy for America Program of the farm bill;

f) Acceleration of development of fusion energy technology;

g) 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. These benefits include reduced soil erosion, improved air and water quality, and carbon sequestration;

h) 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 including biofuels, combined heat and power, space heat and other energy uses;

i) Economic assistance for family farmers to make agriculture more self-sufficient through increased application of alternative forms of energy and energy efficiency;

j) Reversing the trend toward concentration of the ownership or control of sources, production and distribution of energy, targeting funds to encourage diversified, community-based energy systems that create jobs and new wealth in rural areas of our country;

k) Reducing, toward the goal of eliminating, the importation of foreign sources of biofuels;

l) An import fee on non-renewable foreign-produced energy, to fund the development of domestic renewable energy;

m) A phased-in moratorium on the export of domestically produced energy until energy independence is reached;

n) No local, state and/or federal tax dollars, nor tax exemptions, apply to renewable fuels that are imported or derived from imported commodities;

o) No local, state and/or federal tax dollars, nor exemptions, apply to foreign-owned companies that produce renewable fuels;

p) Creation of a Strategic Biofuels Feedstock Reserve;

q) 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:

1. Pipelines designated or altered for the transport of biofuels,
2. Solidifying the railroads in this country to move renewable fuels to each coast,
3. Expanded use of flex pumps,
4. Establishing E85 filling stations/pumps, and
5. 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;

r) 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;

s) Biodiesel and ethanol blenders' tax credits and the cellulosic production loan guarantees;

t) Policies to create greater domestic production of biofuel plants and other renewable energy components, such as wind turbines and solar panels;

u) Fully funding the Biobased Markets Program, as well as ensuring the federal government is a leader in procuring these products;

v) 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;

w) Working with landowners and other groups to develop a landowner's bill of rights for renewable energy;

x) Research and development on the production of fuels and fertilizers from renewably generated electricity;

y) 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

z) Funding for research and technical advancement of energy storage systems allowing for reliable and consistent availability of renewable energy.

2. Ethanol

We support:

a) Congress and the administration launching an alcohol fuels program to include renewable resources that should be established through low-interest federal loans to farmer-owned cooperatives, in the same way rural electricity and rural telephones were established;

b) The extension of the ethanol fuel tax incentive to include the ethanol portion of ethyl tertiary butyl ether (ETBE);

c) Allowing ETBE refiners the ability to claim the ethanol excise tax exemption at the blend point;

d) The phase-out of methyl tertiary butyl ether (MTBE) in gasoline;

e) 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;

f) Dramatic expansion of the production of flex-fuel vehicles;

g) The government purchasing and using flex-fuel vehicles and fueling them with renewable fuels; and

h) Congress and the administration launching an alcohol fuels program to include:

1. Further federal legislation to provide for conversion of farm products and byproducts into alcohol emphasizing on-farm and local cooperative site development,

2. Federal legislation to extend permanently the federal gasoline excise tax exemption on ethanol-enhanced fuels,

3. Immediate action by the Department of Energy to place ethanol production on its priority list for rapid commercialization,

4. State legislation granting tax credits on each gallon of ethanol-enhanced fuel sold within each state,

5. The availability of excess and out-of-condition CCC stocks at cost, to local cooperatives only, for the production of ethanol,

6. An expanded Renewable Fuels Standard (RFS) for requiring increased usage of ethanol fuels within the United States; including a separate standard for cellulosic ethanol and biodiesel,

7. Promote research on usage and marketing of dry distillers grain for feed and other value-added uses,

8. An aggressive and ambitious cellulosic program, geared to rapidly developing necessary technology, to compliment traditional ethanol supplies of motor fuel,

9. Adequate infrastructure to improve pipeline distribution and accessibility to filling station/pumps of biofuels across the country,

10. Expansion of available gasoline blends to E15 or higher, as supported by scientific data,

11. Flexibility for new fuel systems to accommodate advances in ethanol blend utilization technology,

12. Maintaining the ethanol import tariff and extending it well beyond 2009. Biofuels should not be exported or imported until energy independence is achieved,

13. Research and production of engines designed to run solely on ethanol;

14. Funding for Volumetric Excise Ethanol Tax Credit (VEETC) and ethanol infrastructure should be derived from reduction in the oil depletion allowance and/or foreign oil tax credit; and

15. Tax credits or other federal incentives for retailers installing flex pumps.

We oppose:

a) Any future efforts to eliminate ethanol tax incentives; and

b) Liability protection for MTBE producers.

3. Renewable Fuels Standard

We support:

a) Expanding the Renewable Fuels Standard (RFS) to set an ambitious mandate for production of biofuels to make up one-third of the nation's fuel supply as soon as possible, consistent with grain availability for livestock production;

b) Separate mandates of production for each form of biofuel, including cellulosic ethanol and biodiesel;

c) Full implementation of RFS legislation that will:

1. Supply clean-burning ethanol to reduce air pollution,

2. Provide strict anti-backsliding requirements in the RFS to ensure that air quality gains from the reformulated gasoline program are preserved,

3. Provide incentives to expand use of other biofuels, and encourage the use of eligible feedstocks such as grain sorghum, millet, barley, oats and wheat to meet the requirements for other advanced biofuels under the RFS.

4. Establish separate requirements for non-gas fuels such as biodiesel;

d) Bipartisan legislation to ensure that American farmers, not ethanol importers, would benefit from the RFS; and

e) Legislation that would amend the Caribbean Basin Initiative by limiting ethanol imports that are only partially produced in the Caribbean Basin and qualify for duty-free status.

We oppose:

a) Ethanol import schemes that would thwart ethanol import tariffs;

b) The importation of renewable fuels; and

c) Changes to the RFS mandate that are not based on the best available science and subject to public review.

4. Biodiesel

We support:

a) 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;

b) 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;

c) Research and development of oilseed crops and animal byproducts for use as biodiesel alternative fuels;

d) The government's purchase and use of flex fuel vehicles and fueling them with renewable fuels;

e) DOE developing a rapid commercialization program for biodiesel;

f) 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;

g) Establishing a separate requirement for a national RFS for biodiesel use in transportation fuels;

h) Establishing the definition of biodiesel as a mono-alkyl ester that meets the requirements of ASTM D6751; and

i) Adoption of D6751 as the biodiesel industry's quality standard to meet the requirements of the railroads, military and other heavy industry.

5. Wind Energy

We support:

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

b) Efforts to educate our farmers and ranchers about their wind rights and other related issues;

c) Federal legislation to require all utilities to allow community-based wind projects access to the electric grid by actively pursuing power purchase agreements;

d) The use of production tax credits to provide financial incentives for wind energy development. Such production tax credits should:

1. Be long-term, 20 years at minimum,
2. Include active, not just passive income tax credits,
3. Encourage local ownership of wind turbine manufacturing, development and operations, and
4. 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;

e) 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;

f) A national net metering standard for systems up to 100kW in order to help expand the use of smaller wind energy systems;

g) Billing of small wind generators on an annual basis; and

h) Congress to create 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.

6. Solar Energy

We support:

a) The development of solar energy, including solar thermal;

b) Community solar garden models to allow for greater participation in solar projects;

c) Educating our landowners about solar rights and other related issues;

d) The same tax credits and ownership opportunities as wind energy;

e) Providing net metering for solar systems;

f) Research into concentrated solar and other developing solar technologies;

g) Replacing fossil fuel-powered heating and drying applications with solar-powered systems; and

h) The development of community and commercial solar farms in areas with no current value-added use.

7. Cooperative Demonstrations

We support:

a) 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;

b) Cooperatives providing consumers price incentives for using ethanol- or biodiesel-enhanced fuels; and

c) 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.

8. Flex 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 pumps at every cooperative retailer in the nation.

D. Environmental Precautions 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:

a) 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;

b) An exemption for farm and ranch use in the EPA rule pertaining to existing above-ground fuel storage tanks; and

c) 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. Portable Farm Fueling Tanks

Given the size of modern equipment, we support raising the current full hazmat protocol requirements threshold for portable fuel tanks from the current 108 gallons level to a more appropriate size of 1,000 gallons.

3. Waste Products

We support:

a) Recycling as a socially responsible activity;

b) Federal assistance to help establish an effective recycling system throughout the country for post-consumer and industrial waste; and

c) Only the environmentally safe use of solid wastes in the production of energy.

3. Hydraulic Fracturing

We support:

a) 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;

b) A complete Environmental Impact Statement (EIS), with assessments of health and economic impacts, baseline water qualityand quantity and the effect of a diversion of water that may currently be assigned to agricultural, private and municipal use or under other contracted obligations;

c) Local oversight and regulation of the fracking process;

d) Mandatory disclosure of the chemicals, including percentages, used in fracking and drilling fluids. Such chemicals must be identified as environmentally safe before use; and

e) Mandatory monitoring of possible groundwater contamination and oversight of saltwater disposal systems.

E. Landowner Rights in Natural Resource Project Development (wind, solar, fracking, etc.)

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

1) Prohibition of non-disclosure or secrecy clauses in leases. Landowners should be allowed to review leases with attorneys, lenders and other holders of leases to ascertain the relative value of a lease offer;

2) Establishment of a registry of current standard natural resources leases that is accessible to the public;

3) Prohibiting mandatory arbitration clauses to ensure the right of civil litigation for landowners in lease disputes and help balance the legal interests of landowners and developers;

4) Limiting length of lease options to encourage the use of lease options for actual development instead of speculation; wind and solar power leases to terminate after five years if the project is not developed;

5) Authorizing collective bargaining of leases to encourage fairness in the application of lease terms among multiple landowners;

6) Bonding and reclamation protections to encourage responsible energy development and transmission at outset of the lease by providing funds up front for reclamation of land after equipment, tower or project life has expired;

7) Prohibiting prior investment as a condition of lease or option of fulfillment;

8) Prohibit farmland ownership by energy development or generation companies to ensure that agricultural land remains in the hands of producers and retains the agricultural value of the land used in energy development;

9) 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;

10) Disclosure of actual lease payments in contracts;

11) Three day cooling-off period after a lease agreement is signed to allow a landowner a window to reconsider if, for example, his or her attorney has an objection to the contract language;

12) Ownership of wind and solar rights should not be severed from surface rights and ownership of the land;

13) Ownership of wind rights should include up to a minimum of 500 feet;

14) Enacting a moratorium on industrial wind siting in federal waters until an open public process is developed for siting industrial wind power generation;

15) Land owners sharing in percentage of energy revenues transmitted through transmission lines sited on their property;

16) 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

17) An annual tax credit for landowners with renewable energy transmission based on value of land impacted by development.

ARTICLE VIII - Economic Regulation and the Family Farm

A. Federal Budget Reform

The federal budget process is not working effectively. We urge Congress to revise the entire budget process to prevent understating the true deficit problem and to provide realistic reduction goals.

To cure the structural failings, we support:

1) Congress imposing the same Generally Accepted Accounting Principles (GAAP) on the federal government as it has imposed on private financial institutions;

2) Maintaining the system of static scoring by the Congressional Budget Office (CBO);

3) All long-term credit programs, permanent and long-term improvements, multipurpose conservation, dam and watershed projects, public buildings, highways and inland waterways, be placed in a "capital budget," distinct from the annual operating budget;

4) Farmer assessments or trust fund revenues not being used for deficit reduction;

5) Congress demonstrating fiscal responsibility by the mandatory review of all currently implemented legislation, and new legislation containing mandatory sunset clauses to ensure timely review;

6) Programs that fail to meet their intended objectives be reviewed and restructured or terminated; and

7) Not punishing the farm bill baseline budget for savings generated through the safety net.

We oppose:

1) Any proposed agricultural cuts to relieve the federal deficit; and

2) Attempts to reduce funding for farm bill programs through budget reconciliation.

B. Money and Credit Policy *(also see Article IV - Credit and the Family Farm)*

We support:

1) Consumer, farmer and small business representation on the Federal Reserve Board (Fed);

2) Congress providing for allocation of credit;

3) Requiring the Fed to comply with provisions of the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978; and

4) Congress immediately authorizing a nonpolitical outside entity to conduct a thorough audit and investigation of the Fed and its policies.

C. Bank Regulation

From the beginnings of this country, public policy has favored a decentralized banking system, avoiding the abuses that would come from a highly concentrated financial structure.

We are concerned about recent trends in bank regulation that have accelerated the loss of independent community banks and have decreased the banks' desire to service agricultural credit needs. It has also reduced community reinvestment.

We support:

1) Passage of a banking reform bill which mirrors the Glass-Steagall Act;

2) Maintaining individual Federal Deposit Insurance Corporation (FDIC) coverage of at least $250,000, as gross sales transactions in agriculture have increased over the past number of years;

3) Making all financial institutions aware that "too big to fail" will not be tolerated in the future; and

4) Vigorous investigation and prosecution of criminal activity in our financial institutions.

D. Credit Unions

We support:

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

2) The credit union movement in its efforts to combat the anti-competitive regulatory tactics undertaken by other segments of the financial services industry; and

3) The right of all Americans to choose how and where they deposit their earnings and transact their personal financial business.

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

E. Estate and Gift Tax Policy

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

1) Permanently maintaining the federal estate tax exemption per individual at $5 million, indexed annually for inflation;

2) Simplifying the exemption qualification rules and requirements; and

3) Implementing graduated rates with a base rate of 35 percent.

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

F. IRS Tax Code 1031 Exchanges

We support:

1) A study on the impact of IRS Tax Code 1031 Exchanges (Starker Exchange) on farmland values; and

2) The return to a stricter interpretation of like kind property exchanges, i.e. agricultural land for agricultural land.

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; and

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.

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 effect of foreign consumption taxes on trade.

We oppose:

1) Legislation and court action that would prohibit states from taxing multinational corporations based on the volume of business done in the state;

2) Any taxation for the use of the Internet;

3) Enactment of a national sales tax; and

4) Unfunded federal mandates being imposed on state and local jurisdictions.

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) A tax credit, targeted to the seller of farm land, who sells to a beginning or young farmer;

2) Credit being extended to a sale of land or a small business from one generation to the next;

3) Reinstatement of the investment tax credit;

4) A federal tax credit for approved conservation practices for non-deductible expenses; and

5) An investment tax credit allowance to farmer-owned cooperatives that build facilities in rural America. The investment tax credit should be required to be allocated back to the patron-members of the co-op.

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

J. Commodity Futures

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

1) Oversight and authorization jurisdiction for the Commodity Futures Trading Commission (CFTC) being maintained by the Senate and House Agriculture Committees; efforts to merge the CFTC with the Securities and Exchange Commission (SEC) should be defeated;

2) Increased farm owner-operator representation on exchange boards, specifically on those committees responsible for rulemaking relating to new agricultural commodity contracts;

3) Establishing appropriate contract and aggregate position limits for all commodities in all price discovery markets with input from agricultural producers and commercial market users;

4) The collection and publishing of data on the total value of index funds and other passively held long-only positions in all markets;

5) Requiring over-the-counter (OTC) trades be cleared by a CFTC-regulated clearing organization and reported publicly;

6) Increased transparency between domestic and foreign boards of trade; and

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

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

Accordingly, CFTC should:

1) Guard against insider trading by individuals or firms that possess foreknowledge of significant price changes due to large market transactions;

2) Examine and investigate the role of increasing market power funds, the connections between the funds and large commercial interests and the ability of these organizations to exchange resources and information that create excessive market volatility and "economic bubbles" which are detrimental to producers in the short or long term;

3) Ensure there are an adequate number of delivery points for hedging participants;

4) Work in cooperation with other federal and state securities enforcement agencies to crack down on "boiler room" operations and other violators of the Commodities Exchange Act;

5) Monitor with special vigilance any market movements that indicate a deliberate accumulation of excessive speculative positions that exceeds the limited number of positions an individual speculator may hold and to exercise, when necessary, the emergency powers granted by the Act;

6) Monitor and guard against proposals by the commodity futures exchanges impacting trading rules and trading limits that would increase market volatility to the detriment of agricultural producers;

7) Continue to monitor off-exchange-traded agricultural options and ensure they are operated in a manner that benefits family farmers; and

8) Monitor activity on so-called "dark markets."

ARTICLE IX - Rural Development and the Family Farm

A. Rural Community Development

We support a comprehensive rural development policy that includes:

1) Coordination and cooperation of the various government agencies involved to better utilize existing programs and funds;

2) Consideration of social needs, such as a living wage, health care, education and human resource development, as well as venture capital, transportation and telecommunications;

3) Research and development of additional and alternative uses for existing agricultural and seafood commodities and new alternative crops and fish stocks, with a commitment to marketing and processing these products;

4) Development of local expertise, to make the best use of available programs and local talent;

5) Low-interest loan and grant programs that foster the development of value-added products and promote the production of renewable energy;

6) Creation of agricultural opportunities for a new generation of beginning farmers as a central component of rural development;

7) The organization of cooperative enterprises that retain equity, control and ownership within rural communities as a proven self-help, home-grown, rural development mechanism which builds needed economic infrastructures for rural people;

8) Access to credit, technical expertise and markets as essential ingredients in securing opportunities for rural and agricultural enterprises;

9) Utilizing competitive grants and producer opportunity payments, to stimulate research, education, market development and farm innovation that increases the farm and ranch share of food system profit. They also support revitalization of agricultural communities through entrepreneurship, and enhance food security by offering consumers greater choice and access to a diversity of agricultural products;

10) Expeditious approval, adequate federal funding and construction of water 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; and

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.

We oppose rural development grants that encourage the establishment or expansion of factory 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 in airline services for several years and is now being felt in reduced or eliminated bus service; and

3) Extends the hazardous materials exemption for transportation of agricultural production materials to family farmers and/or end-users, as it relates to the Department of Transportation’s HM-200 rule.

We oppose:

1) New federal budget cuts that could further damage the transportation services remaining in our rural communities. Proposals to terminate funding for Amtrak rail service, or to privatize it now that it is making money, would hurt hundreds of rural communities without alternative transportation services; and

2) The use of gas tax funds for deficit reduction. Federal, state and local support must be supplied to provide an integrated transportation system to serve America’s farmers and other rural residents.

1. U.S. Highway Trust Fund

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

2. Truck Transportation

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

We support:

a) Trucking industry regulations that permit cooperative-owned trucks to haul up to 30 percent of non-member, general merchandise;

b) Review of backhaul restrictions on trucking to save energy and lower shipping costs;

c) 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; and

d) 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.

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

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

We support:

1) The Surface Transportation Board (STB) addressing the problems of captive shippers, including:

a. Ensuring that common carrier obligations are adhered to,

b. Providing oversight of branch-line abandonment, in addition to transferring jurisdiction of branch-line abandonment to state regulatory agencies from the federal government,

c. Ensuring that reasonable notice of rate changes is continued,

d. Establishing trackage rights in order to encourage rail-to-rail competition,

e. Establishing reciprocal switching within, and for an appropriate distance outside of terminals in order to encourage rail-to-rail competition,

f. Authorizing a maximum rate for a movement to a captive shipper,

g. Authorizing, when petitioned, the removal of agreement provisions that prevent short-line railroads from delivering traffic to any railroad, and

h. Enacting a policy that would hold railroads responsible for losses due to delayed delivery of rail cars;

2) Taking action to avoid a rail car shortage for transporting grain and other perishable commodities;

3) Expansion of regional railroads where local residents deem appropriate, using a route that spares productive farmland;

4) Continued implementation of the Railroad Regulatory Reform Act of 1980 (Staggers Act) intended to provide protection to rail transportation users who have been determined to be captive 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 at fair market 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 determinations 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 the 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.

b. Certificates of Transportation (COT)

The 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.

c. Safety

We support continuing improvements to the safety mechanisms on railcars and railways to better protect our rural citizens.

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; and

5) Congress repealing the Jones Act.

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

2) Any excessive increases in the Inland Waterways Fuel Tax affecting the transportation of agricultural commodities by barges.

D. Air Transportation

We support:

1) Maintaining feeder and commuter airline services to farm/rural communities to ensure airmail and passenger service;

2) The continuation of federal regulation of all airline services to protect public safety;

3) Regulations that would assure that rural areas are not penalized in airline rate structures; and

4) Full funding and implementation of the Essential Air Service (EAS) which was created to assure rural Americans access to air transportation.

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

E. Rural Utilities

We support:

1) The ability of rural electric and rural telephone cooperatives to continue supplying reliable and affordable services to farms and other sparsely populated areas of the nation through loans, loan guarantees and economic development programs made available by the Rural Utilities Service (RUS) at levels adequate to meet capital requirements; and

2) The continuation of technical standards and other assistance provided by RUS, provided at minimal cost to the taxpayer.

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

1. Telephone Deregulation

In 1985, the Federal Communications Commission (FCC) proceeded along the path of deregulation with little interference from Congress. Congress should reaffirm its role in the formulation of communications policy by establishing transitional rules for the competitive telecommunications era which will preserve universal telephone service.

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

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

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

2. Electric Services

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

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

3. Telecommunications

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

We support:

a) A ban on cross-ownership of media. Deregulation has fostered emergence of news and entertainment monopolies, resulting in higher telephone rates and rapid escalation of cable television rates;

b) The continuation of the e-rate program, authorized in the Telecommunications Act of 1996, to help make telecommunications services affordable for schools, libraries and health care facilities in rural areas;

c) The development of cooperative cable television systems to serve both rural and urban sectors;

d) Rejection of proposals that would weaken or eliminate radio and television farm news, public service broadcast time and other services;

e) Adoption of FCC policies that encourage sound technical standards for rural radio and television service;

f) Legislation to allow citizens to participate in advisory boards and committees via the use of secured telecommunications;

g) Greater transparency in billing for telecommunication services; and

h) 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:

a) 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;

b) 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; and

c) 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.

F. Small Business Development

1. Industrial Development Bonds

We support:

a) Each state being allowed a minimum base allocation in addition to the per-capita allocation allowed industrial development bonds, in order to provide equity among states;

b) Judicious use of these bonds to ensure priority is given to long-term, locally based, economic development projects within the community; and

c) States using industrial development bonds to finance beginning or socially disadvantaged farmer programs.

2. Small Business Policy

We support:

a) Federal policy that fosters and encourages small businesses, protecting them from predatory encroachment of monopolistic big business;

b) Small businesses being given a fair opportunity to bid on government contracts;

c) Continuation of the Small Business Administration (SBA);

d) Ample small-business loan funds being available through the SBA to meet credit-worthy applications; and

e) Requiring government regulations and paperwork to be administered in ways that do not place an undue burden on small businesses.

3. Enterprise Facilitation

We encourage family farmers, ranchers and small boat fishermen and their local communities to research and utilize various USDA Rural Development technical

assistance and funding programs that exist to create and support economic and co-op development, enterprise facilitation, and foster the development of new products and markets through the Appropriate Technology Transfer to Rural Areas (ATTRA), Rural Cooperative Development Grants (RCDG), Value-Added Producer Grants (VAPG), the Agricultural Marketing Resource Center (AgMRC), Agricultural Innovation Centers (AIC), Value-Added University Research Grant Program and regional food hubs, as well as others.

ARTICLE X - Quality of Life in Rural America

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

A. Health Care

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

1. Health Care Coverage, Access and Care

We support:

a) A continued effort toward an improved national comprehensive health plan, which includes a public option that allows citizens to choose their own doctors, that provides universal, affordable and accessible coverage and elder care for all Americans, regardless of their health status, employment, gender or financial situation;

b) Adoption of a single-payer national health insurance program with no deductible and minimal co-pays that provides comprehensive health care services that would include physical, mental and dental care to all Americans. Government funds to operate such a system, similar to Medicare, should be raised in a manner based on ability to pay;

c) Emphasizing preventive care and retention of choice of doctors;

d) Including health promotion and education in long-term policy and planning;

e) Consumer education on the health dangers of consumption or use of products, such as tobacco, and the benefits of consumption of nutritionally sound foods produced using sustainable practices, with special emphasis on educating children;

f) Research and education to prevent the spread of, and to find a cure for, life-threatening diseases;

g) The development, research and use of licensed alternative medicines and practices. Such remedies should be eligible for reimbursement;

h) Third-party reimbursement for advanced health care professionals to allow nurses and physician's assistants to set up clinics in rural America;

i) 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;

j) Continuation of the National Health Service Corps. Funds should also be allocated to communities to provide training and equipment for emergency health care;

k) Self-employed farmers having the same access to dependent care services as those in other industries;

l) Assistance to families struggling to provide care to their dependents, including children, handicapped persons and the elderly;

m) Adoption of a comprehensive program of federal aid for dependent care, including the use of tax credits;

n) Congress opposing tort reform that precludes consumers' ability to receive adequate compensation for wrongful actions;

o) Implementation and full funding of the Farm and Ranch Stress Assistance Network;

p) The elimination of payment caps;

q) That the decision-making power for patient care lies with the physician and patient, not with the insurance company or government;

r) Rural areas being included in implementation of Health Information Technology (HIT) systems, which occur as a means to use computers, computer network systems to store, protect, retrieve and transfer clinical, administrative and financial information electronically. We urge federal legislation to eliminate gaps in incentive funding for Rural Health Clinics (RHCs) and Community-Funded Safety Net Clinics (CSNCs) to obtain funds to establish the systems necessary to fully serve their patients with new information technology; and

s) Regarding the Affordable Care Act of 2010, we support the following:

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

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

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

2. Prescription Drugs

We support:

a) Immediately addressing discriminatory pricing policies, the ability of providers to negotiate the price of drugs, access to generic drugs and an adequate prescription drug benefit for all Americans;

b) Providing rural access to prescription drugs and pharmacy services. Retail pharmacies must have equal access to pharmaceutical manufacturers' discounts, and state and federal legislative efforts are encouraged to ensure equal access;

c) The clear labeling of all prescription drugs' purposes;

d) Permitting the re-importation of prescription drugs from other countries; and

e) Expedited consumer access to safe and proven generic prescription drugs and an end to extended delays by drug companies or the FDA.

3. Medicare and Medicaid

We support:

a) Medicare, Medicaid and a prescription drug program that allows the Medicare Program the ability to negotiate the price of drugs for a prescription drug program;

b) Expediting Medicare reimbursement to health care providers. All health care providers should be reimbursed at a rate no lower than the providers' actual cost as determined by independent audit;

c) Extension of the Medicare program to include the treatment of long-term illness as a covered benefit; and

d) Reducing the Medicare entry age to 55.

We oppose:

a) Any cuts to Medicare and Medicaid;

b) Privatizing Medicare; and

c) Proposals to block-grant Medicaid and strip its status as an entitlement.

4. Veterans' Rights

We support:

a) Preservation of veterans' rights and benefits;

b) Continued availability of medical services for all honorably discharged veterans through the Veterans Administration (VA) hospitals;

c) Rejecting any proposal that would close VA hospitals to balance the federal budget;

d) Continuation of federal and state funding for existing rural hospitals and nursing homes to provide for the health needs of veterans, while allowing them to stay close to their families; and

e) Increasing emphasis of programs to provide assistance to individuals suffering from post-traumatic stress disorder (PTSD) and all mental health issues; and

f) Agricultural rehabilitation and vocational training programs for military veterans, such as the Farmer-Veteran Coalition.

B. Education

Our greatest wealth lies in an educated and informed society. The value of targeted federal investment in education has been demonstrated through establishment of the

land-grant college system in 1862, the GI Bill of Rights, and the National Defense Education Act. Schools need more time, money and a more equitable way of assessing school and student achievement.

We support:

1) Maintaining the U.S. Department of Education and establishing an assistant secretary for rural education;

2) Continuation and full funding of the Perkins Act and that career technical education remains under the umbrella of the Department of Education and continues to be treated as an educational entity;

3) Elimination of the current "No Child Left Behind" Act;

4) No unfunded mandates from state or federal governments on schools;

5) Voluntary Bible-reading and prayer in our public schools;

6) States finding more equitable ways other than property tax to fund public education;

7) Prohibiting the use of vouchers;

8) Continued involvement with, and active support of, Organizations Concerned with Rural Education (OCRE);

9) Expansion of grants and low-interest student loans to assist students of all ages with the cost of higher education;

10) Prohibiting the requirement of using credit ratings in determining loan eligibility;

11) Prohibiting the privatization of state and federal student loan programs;

12) Revising financial aid forms to ensure a more equitable system for both urban and rural farm students;

13) Establishment of a federal student loan forgiveness program for students who attend college and subsequently return to rural communities, based on years of service to those communities;

14) Rural schools being assured their fair share of both federal and state resources and support;

15) Ensuring all adults have the opportunity to participate throughout life in meaningful educational and vocational training programs;

16) Prohibiting cuts in student aid;

17) The federal Qualified Zone Academy Bonds (QZAB) program;

18) 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;

19) Involvement in local, state and national 4-H, and FFA organizations;

20) Unemployed workers having the opportunity for retraining and upgrading their skills as part of their unemployment benefits;

21) The continuation of federal or state-funded retraining programs for displaced farmers and ranchers and their spouses;

22) Involvement in USDA's "Agriculture in the Classroom" project or other comparable curriculum by encouraging and helping state action groups to work with state departments of agriculture and education in integrating agricultural and cooperative topics into school curricula at all levels, with special emphasis on teaching the benefits of family farming;

23) Teaching animal welfare, as opposed to animal rights, through efforts including, but not limited to, the "Agriculture in the Classroom" program;

24) 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;

25) Schools that have developed courses in entrepreneurship as a means of encouraging young people to stay in their rural communities;

26) 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; and

27) The development and retention of remote learning centers to provide a broader range of educational opportunities.

We oppose mandatory consolidation of rural schools.

1. Public Research

Land-grant colleges and universities helped create the technological revolution in agriculture. We support:

a) These institutions focusing on research to increase family farm net income and commodity prices;

b) Utilization research for our agricultural raw products which creates new uses and products for which new marketing systems could be used in local and international trade which will add more value and market share for small and commercial family farmers;

c) 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;

d) Full financial disclosure of funding sources for land-grant university research projects must be made a part of the published research;

e) The continuation and additional funding for all federal formula allocations, such as Hatch Act and Smith-Lever Act funds;

f) Increased research support to 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;

g) Amending the Internal Revenue Code to create a new type of 501(c)(3) organization, an agriculture research organization (ARO), to conduct agricultural research and increase funding to advance agriculture;

h) Publicly funded research, findings, and by-products of the research remaining in the public domain and benefiting family-sized farms; and

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

We support:

a) Land-grant universities re-envisioning agricultural extension training so that it respects and utilizes the experience of farmers and ranchers and the significant role this experience plays in the science of agriculture;

b) Farmers and ranchers being part of the research team;

c) Extension training respecting and utilizing the agricultural practices of traditional native peoples and acknowledge the significant role these practices play in sustainable agriculture;

d) Agricultural extension educators mentoring low- and moderate-income families to improve agricultural economies by adding value to agricultural products; and

e) No funds utilized by NIFA being used to carry out political or lobbying activities.

C. Social Security

We support:

1) Active participation in developing a plan to help ensure the solvency for Social Security for future years;

2) Prohibition of using Social Security funds for anything other than their intended use;

3) Preserving a major portion of any budget surplus for Social Security;

4) Opposition to a freeze on the Social Security cost-of-living allowance for all recipients;

5) Social Security tax being applicable to all earnings by removal of the income cap;

6) Opposition to any part of Social Security being invested in non-government-insured investments;

7) Social Security being a mandatory, universal system to assure benefits in the future;

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 in 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 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) Help being targeted to retraining dislocated workers and displaced farmers; and

3) Directing special emphasis to stimulating economic growth and increasing research and development of technology that will generate productive jobs with fair wages and benefits.

F. Immigration Policy *(also see Article I. I. 1. Farm Labor)*

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

1) Immigration is a federal issue which should be addressed at the federal level. We therefore oppose programs such as E-Verify at the state level only;

2) We support adoption of a mandatory E-Verify program only in conjunction with a coherent and viably effective agricultural worker program. The E-Verify system must

allow communication among federal agencies for determining status in order to protect the integrity of the worker and of the employer;

3) We support simplifying the H-2A program by removing overly burdensome requirements to better serve the needs of family farmers and ranchers;

4) As we are best served by a free-market philosophy that maximizes individual freedom and opportunity, our immigration system must be flexible enough to address the needs of businesses while protecting the interests of workers. This includes an effective visa system responsive to geographic proximity and economic and cultural factors, which acknowledge the beneficial contributions immigrants make as workers, taxpayers and consumers;

5) As strong families are critical to developing successful individuals and cohesive communities, our immigration policies should prioritize keeping families together to most enable supportive home environments for all children;

6) Our immigration enforcement strategy should focus on public safety and consider consequences to businesses, workers and consumers. Furthermore, our broader immigration reform effort should include a path to reliably and affordably determine who is permitted to work, ensuring an adequate labor force for a growing economy;

7) Immigrants are part of both our rural and urban communities. We must adapt to this reality and recognize the critical role immigration has played in our nation's history and economy;

8) Immigration policies must provide a sensible path for those who are here without legal status, are of good character, pay taxes, and are committed to 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 ranches, 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 work force.

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 which 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; and

4) Continuation and expansion of the Senior Community Service Employment Program (SCSEP) as a separate categorical program under the administration of the Department of Labor, providing full funding at authorized levels and opposing block-granting.

H. Food and Nutrition Programs

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

1. Administration of Food and Nutrition Programs

We support:

a) Reauthorization and full funding of federal nutrition programs under the auspices of USDA;

b) Expansion of nutrition programs to include farm-to-school, senior project-fresh, WIC Farmers Market nutrition program, programs that allow SNAP and other federal nutrition program beneficiaries to double their benefits at farmers markets, and others;

c) Congress continuing federal responsibility for nutrition programs;

d) Maintaining federal standards as well as the USDA's authority for commodity donations to nutrition programs;

e) Requiring comprehensive and unbiased research precede any official dietary advice regarding the relationship between diet and health;

f) All federally funded nutrition programs following the USDA Dietary Guidelines;

g) Periodic reviews of federally funded nutrition programs to assess their effectiveness; and

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

We oppose:

a) The privatization of the administration of federally-funded nutrition programs; and

b) The shifting of nutrition programs to state block grants.

2. Food Stamps and Food Banks

We support:

a) The Food Stamp Act of 1964;

b) The Supplemental Nutrition Assistance Program (SNAP);

c) 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;

d) Exclusion of farm loans as income in determining eligibility for food stamps;

e) Continued development of the Electronic Benefits Transfer (EBT) Program;

f) Prohibiting efforts to substitute cash payment for food stamps;

g) Programs which allow food stamp users to purchase food directly from farmers markets and local producers;

h) Commodity distribution programs such as the Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program (CSFP) and child feeding programs;

i) USDA making healthy surplus foods readily available to food banks and emergency kitchens, bearing the cost of transportation and storage; and

j) Federal law that requires commodities distributed for nutrition programs be domestically produced.

3. **Child Nutrition Programs**

We support:

a) Full funding and expansion of the child nutrition programs such as the School Lunch Program, School Breakfast Program, Child Care Food Program, Summer Feeding Program and the Special Supplemental Food Program for Women, Infants and Children;

b) Free lunches under the School Lunch Program for all elementary students;

c) The Special Milk Program for children;

d) 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

e) The removal of soda sales in public schools during school 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

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

a) The creation of a single food safety agency within USDA to regulate the U.S. food supply as a whole, including imported food and foods which are domestically produced;

b) Congress providing sufficient funding for safety regulation of the U.S. food supply; and

c) The authority of the regulatory agency to require a recall in the event of an outbreak of unsafe food.

2. Food Safety Standards

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

We support:

a) Vigorous action by U.S. regulatory agencies to prevent the introduction of bovine spongiform encephalopathy (BSE) into U.S. livestock and livestock products;

b) A moratorium on mechanical de-boning until the process can be improved to ensure that no undesired portions of the carcass are present in the final product;

c) Opposition to the transportation of food in containers that have carried incompatible substances;

d) Protecting our nation's food supply and the rigorous inspection of all imported food, fiber, milk protein concentrate (MPC), animal products and by-products to ensure they meet our nation's sanitary and phytosanitary standards including safe pesticide levels. USDA inspection stamps/seals should be placed only on the individual items inspected;

e) The development of fairly administered Good Agricultural Practices (GAPs) for field-grown vegetable crops which support the biodiversity of farming operations and which do not discriminate against smaller operations. These GAPs should be administered by the USDA. Further, it should be recognized that the most effective method of preventing foodborne illnesses is for rigorous measures instituted at the time that field-grown crops enter processing, packaging and subsequent transportation and storage;

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

g) National food safety policies that can and should protect consumers without limiting farmers, ranchers and small food processors who sell into local and regional markets. Regulations should be size- and risk-appropriate;

h) Allowing interstate shipment of state-inspected meat that complies with federal standards, as directed by the 2008 Farm Bill;

i) Interstate commerce of raw milk and raw milk products for human consumption;

j) Permitting cross-utilization of meat inspectors and meat graders in all federally and state-inspected meat processing plants which meet federal inspection standards;

k) When tracking foodborne illnesses, the utilization of the epidemiological model as pioneered by the University of Minnesota.

3. Inspection of Perishable Commodities

NFU recognizes the need for integrity and accountability in the federal inspection services. ~~The USDA~~ Federal agencies must ~~re-establish~~ maintain food inspection credibility without adding to grower or packer costs by implementing the following:

a) Checks and balances to discover and address infractions that interfere with transaction fairness;

b) Stiff penalties on violators;

c) Improved supervision and auditing; and

d) Identification and prosecution of violators.

4. Agri-terrorism

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

We support:

a) The Department of Homeland Security (DHS) and USDA immediately developing mechanisms to combat agri-terrorism with full funding provided by DHS. Such mechanisms should ensure the safety of the consumer and agricultural industry;

b) Increased cooperation between USDA, DHS, Department of Health and Human Services (HHS) and the Federal Emergency Management Agency (FEMA) to establish, expand and continue to determine vulnerabilities within the agricultural and food industries;

c) Establishing a USDA public awareness and education campaign for producers;

d) Providing federal guidance and funding to states and localities to develop and implement plans for agricultural disease prevention, recovery and response, based upon already established state animal response activities; and

e) A requirement of representatives of federal, state and county agencies to 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) Acceleration of rural, cooperative, farm-labor housing programs, self-help, and building-site programs; and

3) Expansion, continuation and full federal commitment 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) Enactment of legislation to prohibit lending institutions from selling insurance, except on the person of the borrowers;

3) Loan institutions carrying insurance to protect the borrower against failure of the lending institutions, as the Federal Deposit Insurance Corporation (FDIC) protects the depositor; and

4) Continued cooperation with other consumers and organizations of consumers to protect our common interests.

O. Campaign Finance and Elections

1. Campaign Finance

We support comprehensive campaign finance reform, including:

a) Public financing;

b) Caps on total spending;

c) Caps on total contributions;

d) Prohibition of unreported soft money;

e) Full reporting of all types of contributions;

f) Eventual elimination of all political action committees;

g) Elimination of "527" organizations;

h) Legislation overturning the Supreme Court's decision in the Citizens United v. Federal Election Commission case that allows corporations to make unlimited campaign contributions; and

i) Full disclosure of contributors to political issue and candidate campaigns.

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

2. Elections and Elected Officials

We support:

a) The federal government's assistance to local government units to offset the cost of election voting machines that were mandated by the federal government;

b) States adopting standards to avoid uncertainty in voting and counting ballots and also provide a paper trail that makes reviews and recounts possible;

c) Barring TV and radio news reports of national elections and exit polls until all voting stations are closed in the 48 contiguous states;

d) Programs that encourage youth involvement in the voting process;

e) Legislation that states Congress shall pass no law that applies to a citizen of the United States that it does not apply to itself as an institution or to individual senators or representatives, or vice versa, except as it relates to national security issues and/or their personal security;

f) Voting, vote counting, and post-election auditing conducted with electronic tabulation equipment must ensure reported results reflect votes cast and not be reliant on proprietary software inaccessible to bipartisan election oversight;

g) Legislation requiring political campaigns and issue-based interest groups to adhere to the "do not call" list. Furthermore, this provision should roll over into a "do not text" list; and

h) Broad enforcement of the equal-time rule.

We oppose:

a) Term limitations; and

b) Practices that lower voter participation. We urge candidates who choose to use negative campaigning be required to appear in the commercials they authorize.

P. U.S. Freedom and Liberties

Although much has been accomplished to ensure freedom and equal opportunity for all citizens, regardless ofrace, gender, ethnicity, age, sexual orientation or religion, much remains to be done. We support:

1) Efforts to provide equality of rights for all in every aspect of life. These rights shall not be denied or abridged by the United States or any state within;

2) Vigorously defending the right of privacy;

3) Elimination of the abuse of federal agency powers and surveillance of law-abiding citizens;

4) The right of reporters to keep their news sources confidential as inherent in the "citizens' right to know;"

5) Proper display and respect of the U.S. flag;

6) The usage of "God" on government buildings, legal documents and legal tender and we oppose the removal of existing references; and

7) The men and women of the U.S. armed services for their contributions around the world.

R. Postal Service

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

We support:

1) Raising First Class postage rates consistently and concurrently with bulk mailing or Second Class rates; and

2) Congress correcting the difficult situation it has imposed on the U.S. postal service by requiring excessive advance funding of pension funds.

We oppose:

1) Closing small post offices solely because they are operating at a deficit;

2) Changes in postal policy that will result in reduced, less frequent or insufficient mail service for rural areas including the elimination or reduction in parcel post delivery for rural areas or increased rural postal rates; and

3) Privatization of the U.S. postal system, including the establishment of contracted rural routes.

S. Rural Emergency Services and Management Planning

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

1) The implementation of federal, state and local emergency management 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.

T. Voting Districts

1. Redistricting

We support:

a. A nonpartisan redistricting process when voting districts are redrawn;

b. The establishment of nonpartisan redistricting commissions by states; and

c. The removal of politics from any redistricting process

We oppose:

a. Current legislators drawing district lines; and

b. Gerrymandering of voting districts to dilute rural representation.

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 specific 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 man, one vote" theory. This has lead 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.

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; and5) 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:

1) The study of issues;

2) Decision-making within the organization;

3) Carrying out group efforts to implement policy;

4) Attracting more members into the organization; and

5) 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 people on the issues of:

a. Trade,

b. Energy,

c. Market concentration, and

d. How commodity prices impact community development.

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:

a) Greater encouragement for Farmers Union youth to attain positions of responsibility within the organization;

b) Special emphasis given to ongoing study programs, camps, All-States Camps and seminars;

c) Increased involvement of youth in the organization's decision-making process, group action and conventions;

d) Frequently updated Farmers Union educational materials and texts for youth leaders;

e) 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;

f) Action from state organizations to encourage young people to remain active in Farmers Union as they become adults; and

g) Formation of a collegiate Farmers Union chapter 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 Center

It is imperative that we maintain our ownership of the Farmers Union Center at Bailey, Colo. 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 be supportive of NATFARMPAC.

Candidates should be given support if, in the judgment of members, they regard Farmers Union recommendations favorably.

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 and other agricultural organizations so as to leverage our political effectiveness.

E. Membership Expansion

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 sign up new members within the next year. 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 and 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 in 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.

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

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

AFO – Animal feeding operation

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

AgJobs - Legislation aimed at reforming labor and immigration laws specifically for agriculture

AMS - Agricultural Marketing Service

APHIS - Animal and Plant Health Inspection Service of the U. S. Department of Agriculture

ATTRA – The National Sustainable Agriculture Information Service, which provides sustainable agriculture information to those engaged in or serving commercial agriculture

[see rBST below]

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

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

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

[see rBST below]**Brucellosis -** Livestock disease which causes cow to abort calf

BSE - Bovine spongiform encephalopathy

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

CAFO – Confined animal feeding operation

CBO - Congressional Budget Office

CBOT - Chicago Board of Trade

CCC - Commodity Credit Corporation of the U. S. Department of Agriculture

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, Cenex, Inc. and Harvest States Cooperatives. Cenex Harvest States Cooperatives changed its legal name to CHS Inc. effective Aug. 5, 2003

COT - Certificate of Transportation

CSREES - Cooperative State Research, Education and Extension Service

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

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

Casein/caseinates - Milk protein that is manufactured from skim milk and used in processed foods and in industrial products

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

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

CSP – USDA's Conservation Stewardship Program

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. Loan 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

EQIP - USDA's Environmental Quality Incentive Program

EPA – U.S. Environmental Protection Agency

ESA – Endangered Species Act

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

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 Agriculture Service of the U.S. Department of Agriculture

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
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
FSA - Farm Service Agency of the U. S. Department of Agriculture
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
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)
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**GAO** - General Accounting Office
GIPSA - Grain Inspection, Packers and Stockyards Administration of the U.S. Department of Agriculture
GRP – USDA's Grasslands Reserve Program
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
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
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-Bilely Act of 1999
Global climate change, a.k.a. 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
Hydraulic fracturing – The process by which a specially blended liquid is pumped down a well and 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
IRA - Individual Retirement Account
ITC - Investment Tax Credit (not to be confused with the USITC, the U. S. International Trade Commission)
Ionophore - Feed additive that enhances feed efficiency in cattle by altering ruminal fermentation
Johne's Disease - Chronic disease affecting domestic animals, especially cattle and sheep, caused by bacterium
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
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
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
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 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**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

NIFA – National Institute of Food and Agriculture, formerly the Cooperative State Research, Education, and Extension Service (CSREES)

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 Resource Conservation Service of the U.S. Department of Agriculture

OMB - Office of Management and Budget

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 warehouses, 2) abandon all retail meat business, 3) abandon control of transportation facilities and 4) dissolve any conspiracies with other packers

Particulate matter - Solid or liquid particle less than 10 microns in diameter suspended in the air

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 nonbasic 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)

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
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
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
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
SBA - Small Business Administration
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
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
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
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"
Thorium – A naturally occurring, slightly radioactive metal found in most rocks and soils
UF - Ultra-filtered (milk products)
USTR – U.S. Trade Representative
U.S. Warehouse Act – authorizes the secretary of agriculture to license warehouse operators who store agricultural products and meet specific standards
VAT – Value-added tax
Water spreading - The practice of using allocated water on undesignated acres
WHIP – USDA's Wildlife Habitat Incentives Program
WFO – World Farmers Organization, of which NFU is a member
World Food Summit - U.N. meeting where heads of state committed to reducing hunger
WRP – USDA's Wetlands Reserve Program
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