

# **Southern Governors' Association Agriculture Working Group**

## **Final Report & Recommendations on the 2002 Farm Bill**

**September 9, 2001**

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*EXECUTIVE SUMMARY*

For the South, agriculture is not only essential to the region's cultural identity and way of life, but it is also vitally important to the economy. With a market value of farm products sold in the South totaling over \$66 billion in 1997, the industry's impact on the region remains tremendous. Furthermore, an American-grown food supply is a matter of national security. The key objective for the 2002 farm bill should be restore and enhance profitability for farmers, ranchers and agribusiness employees. With rapid changes in technology and an increasingly global economy, it is also essential that the next farm bill reflect changes and priorities that consider economic, competitive, environmental and societal concerns. Specifically, the Southern Governors' Association Agriculture Working Group recommends that Congress focus on 14 issues critical to the region:

**Value-Added Processing**

Long-term investments in value-added processing through research and development (R&D) can enable farmers to secure a profitable market price and encourage young agriculture leaders to enter production agriculture. Therefore, Congress should consider funding a major R&D block grant initiative to state departments of agriculture and other appropriate state entities to work with universities and non-traditional research entities to spur value-added processing.

**Commodity Programs**

The high cost of government commodity programs in recent years has effectively removed acreage from production, thus reducing the cost effectiveness of programs. Therefore, commodity program payments, production agreements, limitations, and quotas should belong to and follow the producer, rather than the landowner — taking care not to violate WTO agreements.

**Conservation/Land Use/Environmental Sustainability**

An adequate investment from the federal government in private land conservation is crucial to maintaining a high level of agricultural capability — a principle deserving equal status and funding to commodity price support and risk management. Therefore, Congress should consider enacting federal agricultural tax incentives — reducing local property taxes for small producers in high tax areas — so farmers can continue to farm rather than sell land for other uses.

## **Trade Enhancements & Expansion**

While global trade is crucial to the survival of American agriculture, it requires fair application and enforcement of current and future trade agreements to secure a level playing field for exporters of U.S. food and fiber.

## **Agri-business Concentration/Contracting Protection**

The working group believes that the cost of excessive agricultural corporate mergers over the past eight years will ultimately be financed by the consumer and family farmer, posing a significant threat to American agriculture. Therefore, the U.S. Justice Department is urged to review the implications of the consolidation of agricultural businesses with respect to the Sherman Anti-trust Act and assign a senior level Justice official to this task.

## **Regulatory Relief**

Because a number of regulatory issues have risen outside of the statutory constructs of the 1996 farm bill, appropriate compensation should be provided to farm land owners by any government entity that effectively removes that land from production agriculture. Additionally, regulations affecting Confined Animal Feeding Operations (CAFO), Total Maximum Daily Loads (TMDLs) and the Clean Water Act must be closely reviewed.

## **Food Safety & Nutrition**

As health, safety and nutrition are paramount concerns for American consumers and producers, it is essential that imports be held to the same environmental and food safety standards to which domestic agricultural products must adhere.

## **Risk Management/Safety Net**

Loan deficiency payments and marketing assistance loans should be continued to protect farmers against price levels below the marketing loan rate. Additionally, the crop insurance program should discourage, eliminate and prosecute "insurance farmers," and participation in the program should be required of farmers in order to be eligible for disaster relief payments.

## **Tax Reform**

Congress should consider tax credits for environmental/conservation improvements, incentives for agriculture research and a 100% tax credit for donation of commodities to charitable organizations.

## **Small Farm Support**

Policymakers should recognize the important role small farms play in competition and cultural

diversity and support programs that will not only sustain small farms but also increase awareness of the needs of limited resource producers.

### **Transportation & Infrastructure**

Transportation networks and related infrastructure play a key role in the nation's economy. International trade agreements will only increase the volume of commodities going through ports in the South. Given the current capacity of the entire transportation system, and the projected increases in the demands on the system, a large, long-term investment in our infrastructure must be made to assure that agriculture and other producing and consumer interests are well served.

### **New Farmer Incentives**

Due to the low economic return for family farmers, the lack of capital for entering the profession, and the current federal tax structure, incentives and other programs should be provided to beginning farmers such as reduced capital gains taxes, new tax-deferred savings accounts and deferred loans.

### **Biotechnology**

Technological advances in science have the ability to improve the environment, fight hunger and provide greater health and medical benefits. For agriculture to remain on the cutting edge of these biotechnological advances, funding for research and testing must be made available and should be seen as an investment in a healthier and more prosperous future. Specifically, policymakers should discourage dual marketing systems for biotech and non-biotech products, maintain the current regulatory system on labeling of biotech foods, and pass legislation to protect against crop destruction aimed at academic research institutions and biotechnology companies.

### **Farm Labor Issues**

Because agricultural labor shortages, complicated by U.S. federal immigration policy, continue to plague the South, policymakers should consider a system based on an agreement between Canada and Mexico which provides an orderly, efficient way to import farm workers.

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In early 2000 and again this year, the southern governors identified the agriculture safety net as one of their top three federal priorities. The reasons for this are threefold:

- Agriculture is of primary importance to the southern economy and way of life;
- The South does not appear to fare as well as other regions with respect to agriculture funding; and,
- The de facto ritual of federal disaster assistance for agriculture is in need of change from both a policy and fiscal perspective.

The governors formalized this priority with the formation of the **SGA Agriculture Working Group**. Comprised of representatives designated by the governors, the purpose of the group was to develop recommendations on the 2002 farm bill for the governors and to work with regional congressional offices, commodity groups and other farm policy groups to advance the interests of southern agriculture during reauthorization of farm programs and policies. At the working group's first meeting in November 2000, 14 specific issues were identified as critical to agriculture in the South. Seven task groups were formed at that time to develop policy recommendations for the governors to share with Congress. The working group's initial work was summarized in a preliminary report given to the governors at their winter meeting in February 2001. A draft policy resolution on the farm bill was also suggested by the working group, which was offered by Governor Mike Huckabee (R-Ark.) and adopted by the governors at that meeting. (*See Appendix 1.*) Since that time, the working group completed its review and recommendations on the remaining seven topics, included in this final, comprehensive report. From this, the working group hopes the governors will endorse their recommendations and forward them to Congress before it completes work on the 2002 farm bill. Additionally, a new policy resolution is attached for the governors' consideration. (*See Appendix 2.*)

## **Introduction**

In the South, agriculture not only has critical importance to the economy, but also to the regional cultural identity and way of life. With rapid changes in technology and an increasingly global economy, it is essential that the next farm bill reflect changes and priorities that consider economic, competitive, environmental and societal concerns.

To ensure our own national security, we must never allow ourselves to be dependent on other countries for our food supply. Making a profit is essential for U.S. farmers, ranchers and agri-business employees to stay in business. Yet, global competition in the production and marketing of food and fiber presents a formidable obstacle to U.S. producers. Due to the lack of profitability, many of our farmers are sustained only through dependence upon government subsidies and indirect financial aid. These recommendations are meant to address this central challenge and should be considered during debate on the 2002 farm bill.

## **Value-Added Processing**

The struggle to operate a profitable, competitive business necessitates alternative uses of traditional as well as nontraditional commodities. Value-added processing can fill the gap, but only through research and development (R & D) of new uses and new products. These new products must be environmentally friendly as well as offer commercial viability to enable farmers to be profitable and self-sustaining.

Through R & D, the U.S. farmer can offer superior products that emphasize quality. The long-term effects of such value-added processing through R & D could enable farmers to secure a profitable market price and hopefully would encourage young agri-leaders to enter production agriculture and stay on the farm. It is vital to encourage a labor force on our farms. Rural economic development is, for the most part, dependent on agriculture. By promoting the use and research of agricultural products, we can maintain, if not increase, the growth in these areas. The goal of R & D should be research for the sake of commercialization — not research for the sake of research. This will require the use of both traditional as well as non-traditional research organizations within and outside of the university environment. The importance of business viability cannot be over emphasized. Research funding should allow for and require marketing components as well. Furthermore, R & D may reveal new uses for traditional crops including tobacco, soybeans, castor beans and lesquerella oil, and southern pines.

As part of the farm bill, Congress should consider a major funding R & D block grant initiative to state departments of agriculture and other appropriate state entities, which could work with universities and non-traditional research entities to spur value-added processing. Such an approach could de-politicize a large portion of earmarked research funding, and encourage greater competition and innovation in developing new approaches in farm production. At the same time, more should be done at the U.S. Department of Agriculture (USDA) level to assist producers in niche marketing and provide help to emerging value-added industries. Further, funding for the National Agricultural Statistics Service at the Department should also be increased.

As perhaps the largest agricultural product purchaser, the federal government should encourage and promote value-added processing by giving bidding preferences to domestic producers of value-added goods and products. Furthermore, with increasing consumption of energy and dependence on foreign sources, the federal government should encourage ethanol and other bio-based solutions to any developing energy shortage.

The Agricultural Research, Extension, and Education Reform Act (AREERA), (specifically Sec.1459A Competitive Grants for International Agricultural Science and Education Programs) enables universities to assist agri-businesses in efforts to enhance international trade. This program should be adequately funded and should be administered in a manner that serves all segments of the production agriculture spectrum. Additionally, the federal formula for Research and Extension and the Land Grant System should be increased.

## **Commodity Programs**

The cost of agricultural commodity programs has varied in recent years between \$5 billion and \$26 billion in nominal terms. The real cost of government programs, however, has increased over time. Programs that remove acreage as a requirement for payments tend to reduce the cost effectiveness. The reason for this is that these programs reduce acreage and require storage of the commodity. However, the effectiveness of past programs could be improved through the use of other programs that use risk management strategies, green payments or higher "safety-net" features.

The 1996 Farm Bill accomplished several major objectives. Farmers enjoy freedom in planting decisions and are able to move grain into the market place freely. Transition payments are decoupled from acreage and production decisions. There is clearly a worldwide grain market price structure, which allows grain to move at market clearing prices and allows U.S. livestock and poultry producers to buy feed inputs at competitive prices.

However, to stabilize farm income, Congress has stepped in with record amounts of money, doubling Agricultural Market Transition Act (AMTA) payments and funding much larger-than-anticipated Loan Deficiency Payments (LDPs). Annual adverse weather has required emergency funding as well and shortcomings in the crop insurance program have become evident. Prices are at historic lows — below the cost of production for many farmers. Individual farmers have received large payments as well and payment limitations have been adjusted to accommodate the nation's largest producers.

The tobacco industry, of critical importance to southern agriculture, has undergone significant change since 1996. Increased imports of foreign tobacco and decreasing domestic marketing quotas have placed tobacco producers in a highly vulnerable position. Because the tobacco program is federally administered, the federal government bears responsibility for the economic dependency and resulting hardship faced by program participants. Congress should thoroughly consider modifications, (such as a buy-out of quota owners, the elimination of quota leasing, the transfer of quotas to active producers, and a more market-sensitive price support formula), to the 1938 Agricultural Adjustment Act governing the federal quota and price-support program. The tobacco program is in need of modernization to sustain opportunities for American tobacco producers.

- Further, when reauthorizing the farm bill, policymakers are urged to consider that:
- Historical planting patterns have changed since FAIR Act implementation. Acreage bases on farms should correspond to current patterns, not those of 20 years ago;
  - All payments, yield histories, production agreements, limitations, quotas, etc. should belong to and follow the producer, not the landowner; and,
  - Any payments should be to the actual producer, not the absentee landowner; however,
  - Care should be taken not to violate World Trade Organization (WTO) agreements.



## **Conservation/Land Use/Environmental Sustainability**

There needs to be an adequate investment from the federal government in private land conservation if this country is going to maintain a high level of agricultural capability. Within the USDA, conservation in agriculture should be given equal status and funding to commodity price support and risk management. There currently exists the infrastructure to provide high quality technical and financial assistance to private lands, but the proper federal funding is not being provided. The National Resources Conservation Service (NRCS), with other agencies, completed a national workload analysis that identified an investment need of \$345 million for FY2002. Additionally, policy established in the next farm bill should include conservation as an equal component, and even as a means, to financially support farmers.

To be eligible for farm program benefits, farmers should be required to continue to comply with conservation provisions and implement approved comprehensive farm conservation plans.

The original intent of the Conservation Reserve Program (CRP) was to remove marginal land from production. The program has evolved into bringing better than marginal land out of production and is now competing with producers wanting to rent crop land. The program needs to be revamped and returned to its original intent.

USDA has made several important improvements to the CRP over the past years. The current rules target the most environmentally sensitive lands, with wildlife habitat and water quality being the major beneficiaries. The program needs to be re-authorized in the next farm bill.

Policymakers should consider enacting agricultural tax incentives — such as a federal program to reduce local property taxes for small producers in high tax areas — so farmers can continue to farm rather than selling land for other uses. However, farmers should not be precluded from the sale of their land for the highest and best use. As conflict typically occurs when development is adjacent to farmland, those who develop or purchase this land should be made aware of the agricultural practices that may be conducted on the adjacent land prior to development or purchase. Ultimately, farmers should have the "right" to operate their farms, using best management practices, as long as they are not in violation of science-based regulations.

Agriculture can co-exist with good wildlife management practices, provided that wildlife and government officials remember that profitability is the key to preserving land for agriculture, where most of our wildlife exists today. True partnership is needed, rather than prescriptive and restrictive policies and programs designed to manage a farmer's operation.

Federal programs should not constrict or promote local government's powers for land use. Rather, federal programs should provide local delivery through its agencies that can, in turn, work with local governments to complement non-regulatory service programs and local land use controls, perhaps ameliorating the harshness of land use controls.

Loss of productive agriculture and forested lands is resulting in fragmentation of farm

lands and creation of "islands" farther and farther away from agricultural infrastructure, increasing costs and pressure to convert from agriculture to another land use. Voluntary agriculture districts should be established to provide incentives for infrastructure and string together remaining farm parcels.

Since the 1985 Farm Bill, NRCS has had to redirect larger percentages of its resources away from its base program of voluntary conservation technical assistance in order to comply with mandated activities. The demand for NRCS technical assistance to support expanding state and local cost-sharing programs has grown. Dilution of resources available for conservation technical assistance and locally-led programs could render programs ineffective. NRCS and USDA agencies must be adequately staffed and funded, and its recommendations should be based on sound science.

There is no clear avenue for individuals to contact an agency for an institutionalized response to wetland questions. A clear and concise policy is needed to forge existing wetlands protection programs into a broad framework that balances environmental, social and economic needs. Landowner interest in the Wetlands Reserve Program continues to far exceed program acreage and funding restrictions. Enrollment acreage will meet enrollment caps during fiscal year 2001.

With respect to technical assistance, cost-share and education programs, funding has been a huge problem. There must be no more unfunded mandates. When the public, through the government, makes environmental demands, they must be prepared to help cover these costs. Cost sharing is not enough, as it still requires the farmer to pay a significant portion of the costs to make operational changes that have a negative impact on profitability.

"Carbon Storage Credit" certificates should be awarded to farmers for carbon storage that may be sold to groups needing carbon storage credits. Such a program would create a "win-win" situation — providing aid to farmers while encouraging policies beneficial to the environment.

### **Trade Enhancements & Expansion**

Expanding and enhancing agricultural trade is necessary to ensure global competitiveness. Other highly developed countries subsidize exports of agricultural products while underdeveloped countries offer a less expensive commodity due to cheaper labor, lower input expenses and less regulation. It is critical that U.S. farmers offer — not only domestically but to the world — the highest quality, safest, and most diverse commodities. Such agricultural sustainability must include either higher value crops or higher value products than conventional crops.

Global trade is crucial to American agriculture, and the continued expansion and fair application and enforcement of current and future trade agreements is necessary to secure a level playing field for exporters of U.S. food and fiber. The Administration's trade negotiators should

have sufficient flexibility to improve current and future regional and global trade agreements for agricultural products.

Furthermore, USDA funds, along with funds for the U.S. Trade Representative, should be increased to allow for the negotiation of better agreements and the identification of regulations in importing countries that limit access of U.S. products. Export programs must be competitively funded and utilized, with all U.S. trade negotiations and policies directed at maintaining an equitable position with other countries.

Trying to level the playing field for agriculture in international trade negotiations is a very difficult task. All countries use preferential trade arrangements that reduce foreign trade. But free trade must be fair trade. Food and fiber that is imported into the U.S. should have to meet the same regulations that are required of American producers (i.e. – food inspection, chemical bans, growth enhancements, etc.)

Tariff rates are very high in some countries and environmental and health concerns are important in others. Also, domestic agricultural policies benefit some producers and export subsidies help others. These concerns were expressed at the 2000 WTO talks in Seattle. And, these problems must be addressed in the political arena before meaningful progress can be made in economic trade negotiations.

Agriculture can benefit from trade agreements if tariffs are lowered, market access is improved, export subsidies are reduced, state trading is eliminated, and if labor and environmental impacts are addressed. Some specific program recommendations include:

#### *Market Access Program (MAP)*

In the past four years, this program has been slashed from in excess of \$200 million to \$90 million. This level of funding is inadequate and should be increased to the previous level, particularly in light of China's admittance into the WTO and the opportunities that such a large population represents for U.S. agriculture. Also important is relaxing the criteria and/or restrictions that are placed on U.S. exporters to participate in MAP Branded (a cost reimbursement program for small companies.) The restriction of less than 500 employees places an undue burden on companies that are highly specialized in the processing of U.S. foods. One example of this restriction is Mississippi catfish processing plants, where average company employment is over 500 employees, thereby excluding them from MAP Branded funding.

#### *Emerging Markets Program*

This program's limited funding of \$10 million should be increased to \$25 million. The Emerging Markets program focuses on countries where per capita income is less than \$9,200 annually. By funding trade missions, market research, networking of importers and buyers, and expert training for U.S. farmers and food processors, the program can be very beneficial.

#### *Cochran Fellowship Program*

This program is essential to identify overseas trade buyers and introduce them to U.S.

exporters.

Currently, the United States subsidizes at a significantly lower amount than other highly developed countries. If the U.S. farmer is to compete globally, and the playing field is to be leveled, then adequately funded assistance programs are essential.

Other issues for consideration with respect to trade include:

#### *E-Commerce*

E-commerce technology will be vital to the future of agri-business. Many rural areas, however, do not have high speed Internet access. Determining which areas have access is problematic due to competition between providers and the unwillingness to release information. While the Department of Agriculture Rural Utilities Service (RUS) has announced a new loan program to finance the construction and installation of broadband telecommunications services in rural America, the program is limited to one year and \$100 million. More funding will be needed over a longer range of time. There is also a great need for education to enable farmers to make use of this technology. Funding for these educational programs will also be needed.

#### *Labeling*

Imported products should be labeled with point of origin. Conversely, American products should be labeled as "American Made." There must be "truth in labeling." For example, a "farm-raised catfish" label should not be used on catfish raised in the Me Kong River Basin, but only on catfish raised on an actual farm.

### **Agri-business Concentration/Contracting Protection**

Over the past eight years, so many corporate mergers have occurred that the average citizen no longer notices them. Since it will be the consumer and family farmer who will ultimately finance these multi-billion dollar deals, concentration poses a significant threat to American agriculture.

To protect consumers, the U.S. Justice Department is urged to review the implications of the consolidation of agricultural businesses in terms of the effects on production agriculture, food costs, societal welfare, national security and possible Sherman Anti-trust Act violations. A senior level official at the Justice Department should be assigned to focus on this issue.

We believe that close attention to this issue will reveal that the laws governing mergers and other acquisitions by large firms need to be strengthened and rigidly enforced. We further believe the Justice Department will determine that marketing arrangements or agreements that result in large firms acting as one entity should be closely scrutinized.

While some agricultural consolidation is warranted and beneficial to the farmer, meaningful competition and true price discovery are becoming increasingly scarce as concentration, which

has swept this country over the past eight years, has placed control of the livestock, poultry and grain industries in the hands of a few giant corporations. These mega-companies have forced many family farmers out of business.

Many more farmer-owned cooperatives are needed if this trend is to be changed. A vigorous effort to help build producer-owned cooperatives must take place at once if we are to prevent this nation's entire food supply — and therefore its national security — from falling to the total control of a few multi-national corporate giants.

## **Regulatory Relief**

A number of regulatory issues have arisen outside of the statutory constructs of the 1996 farm bill. As federal agency regulations can have a substantial impact on the agricultural industry, these are some in need of attention for reform or relief.

### *Appropriate Compensation For Agricultural Lands Impacted By Regulatory Policies*

Regulatory policies or laws regarding environmental issues and endangered species which affect private landowners are best made and enforced by individual states as opposed to federal agencies. However, when federal controls are imposed on privately owned lands the Just Compensation Clause of the Fifth Amendment to the United States Constitution must be recognized and upheld.

If a governmental entity dictates that a farming practice or use of privately owned land is no longer acceptable due to threats to the environment, threatened or protected species or for any other cause, then that entity must be prepared to compensate the landowner for the loss of property. It is notable that the government recognizes its responsibility to pay for property it takes for the building of highways but refuses to compensate property owners for land taken out of production due to the presence of endangered species.

Once again, individual states rather than the federal government best manage regulatory efforts. When federal agencies dictate control over private property, producers must be guaranteed complete compensation for any loss of property and damages to their agricultural operations.

### *Confined Animal Feeding Operation Regulations*

The Environmental Protection Agency (EPA) has proposed strict new water quality rules that could force thousands of small livestock operations (i.e., cattle, hog, poultry) to secure pollution permits, thereby imposing substantial new regulatory burdens on small producers. The rules exemplify a push by EPA to broaden its regulatory authority over agricultural producers beyond that intended by Congress when it passed the Clean Water Act. The Clean Water Act provides for EPA regulation of "point-source" pollution, and includes Confined Animal Feeding Operations (CAFOs) in the definition of "point-source", but fails to adequately define CAFO.

This proposed rule is a very real threat to the existence of thousands of small livestock operations throughout the South. Further, concerns have arisen that the position of state agricultural leaders around the country has been disregarded by EPA in proposing this rule. While maintaining the standard at 1000 animal units affects only a few agricultural enterprises, lowering the number to 300 will impact the heart of the industry in the south — the small family farms. Therefore, we strongly recommend that the proposed rule lowering the number of animal units from 1,000 to 300 be withdrawn, and that any future rules be negotiated with industry and state leaders.

Additionally, requiring livestock and poultry integrators to be jointly and severally liable for practices on the farms of independent, contract producers should not be a part of any EPA regulations. Such a requirement exceeds the scope of EPA's authority. Independent producers are independent by definition. Any increased integrator liability will be accompanied by increased oversight of the individual farmers' operations. This will likely lead to non-renewal of small producers' contracts and increased production on larger farms, with a likely eventual end result being the shift from family-owned farms to company-owned farms.

The EPA is also seeking to expand its permitting authority under the Clean Water Act by redefining its CAFO designation criteria. EPA proposes eliminating the requirement for on-site inspection prior to designation, and "streamlining" the designation process by eliminating the method of discharge criteria, (i.e., man-made device). EPA also proposes broadening the definition of on-site to include surrogate information gathering such as fly-overs and satellite imagery. The proposal would also expand EPA's authority to designate operations in NPDES authorized states whenever the EPA believes the state has failed to act. These rules exemplify a push by EPA to broaden its regulatory authority beyond the intent of Congress. Again, there must be no more unfunded mandates.

#### *Impact & Implications of TMDL Policy*

State Nonpoint Source Management Plans have established priority watersheds for implementation based on many factors, not just the level of impairment, i.e., value of the stream to the state, ability to effectively address the cause of water quality impairment, or capacity of local agencies to commit personnel to the identified problem. The total maximum daily load (TMDL) process, not the State Management Plan, will drive state nonpoint sources programs. Planning budgets will need to be increased possibly at the expense of the implementation budget.

#### *The Clean Water Act*

The cost share between the state and federal government is becoming a significant burden for southern states, particularly the 60/40 split on Section 319 projects. States need the ability to conduct true research on the interface between land uses and water quality, as well as more flexibility in use of NPS funds for financial incentives.

## **Food Safety & Nutrition**

Domestic agricultural industries, especially the meat and poultry segments, and food marketing companies are currently being subjected to the most stringent food safety requirements in the world — an effort to assure that American consumers have the most safe, high quality and affordable food supply. These stringent requirements have grown out of the 1996 Pathogen Reduction Act and the Hazard Analysis Critical Control Point (HACCP) inspection system initiated by the Food Safety and Inspection Service of the USDA.

With the advent of NAFTA, GATT and other trade normalization agreements, the opportunity for opening U.S. markets to imported food products is expanding. It is imperative that the safety requirements of such imported products be held to the same high standards as the American products. While this focus has been on meat and poultry products, the same concerns and expectations of the American consumer exist for safety of imported fruits and vegetables. Recent events with imported products have increased the awareness of the consumer that these products also should be held to the same high standard that they are in the United States.

While the focus for this food safety issue has been primarily on the microbiological hazard, there is also growing concern regarding the use of feed ingredients produced utilizing products of agricultural biotechnology, such as bio-engineered corn and soybeans. These issues, as with the implementation of HACCP-based inspection, must be guided by the very best science available and not driven by emotion. The nutritional content of these products has been demonstrated to be not appreciably different than traditionally produced products and to pose no significant health concerns. There is the potential for addressing this issue with nutritional labeling indicating the use of these products where the consumer concern for potentially allergic responses may be involved. Although only a minor portion of the population may be impacted due to allergy concerns, labeling is the most effective means of assuring safety. Similar food safety concerns exist for the utilization of animal drugs for the enhancement of health and safety of animal products which may result in the development of drug resistant bacteria. This issue will be most effectively addressed by not only the animal health community but also the human health community. Appropriate use of antibiotics in both of these communities is most effectively achieved by education based on sound science at the state and local level.

In order to ensure a safe food supply, imports should be held to the same environmental standards and food safety regulations to which American agricultural products must adhere. American producers want to continue to provide a safe food supply. However, any regulations should be science-based, rather than motivated by political influences.

Food safety of imported and domestic foods is an important issue. Currently, both the USDA and the FDA are playing a prominent role in establishing public policy. The major goal is to reduce the incidence of food-borne illness. This requires safe handling labels on products, testing for microbial pathogens, standards for pathogen reduction, and mandatory standard inspection systems to prevent and control contamination.

## **Risk Management/Safety Net**

Several principles should govern risk management and safety net issues with respect to U.S. farm policy. First, non-recourse marketing assistance loans and loan deficiency payments should be continued. Income safety net and revenue assurance programs should be offered to all farmers — regardless of size. The crop insurance program should be allowed to discourage, eliminate and prosecute "insurance farmers." And, in order to receive government disaster relief, producers should be required to participate in related insurance programs. In case of major droughts, floods and extreme market conditions, disaster relief for farmers should be provided by the government. Crop insurance programs should address gross operational income situations; and reported federal income tax should drive coverages. All payments, yield histories, production agreements, limitations, quotas, etc. should belong to and follow the producer, not the landowner; however, care must be taken to avoid violating World Trade Organization (WTO) agreements.

The Agricultural Risk Protection Act of 2000 (ARPA) signed into law by President Clinton for the 2001 crop year improved risk management tools available to ag producers. This act increased the premium subsidy available for producers, provided a "yield plug or substitution" option for actual production history, and implemented a continuous rating for 2001. In addition, this law targets individual producers and agents with higher loss ratios and subjects them to quality control reviews. While this is a positive step toward eliminating crop insurance fraud and abuse, caution must be exercised.

Policymakers should ensure that USDA has adequate funding for the Livestock Assistance Program which provides much-needed help to cattle producers in times of natural disasters. Contract producers should have access to assistance during periods of high energy costs and long "lay-out" periods to limit their income risk.

Loan Deficiency Payments (LDPs) are employed to protect farmers from price levels below the Marketing Loan redemption price. The LDP program is designed to allow market forces to establish the price level that will increase consumption, while providing a safety net to balance against the low prices paid to farmers. Only through constant vigilance can we ensure the adequacy of this safety net. Policymakers must have the creativity, the authority and the flexibility to make the necessary adjustments to keep this safety net adequate to protect farmers.

## **Tax Reform**

There are several tax implications and provisions for farmers that should be considered by Congress. While improvements were recently made in the tax relief act passed earlier this year, Congress should consider additional cuts to the capital gains tax and an expanded agricultural savings account (ASA) program. A farmer should be able to defer farm income to an ASA after a minimum of \$10,000 taxable income is earned (or 5% of gross agriculture revenue, whichever is higher), and only pay taxes on the ASA funds at the point of withdrawal.



Congress should also consider:

- Tax credits for environmental/conservation improvements;
- A medical income tax deduction for farmers (including all health insurance premiums and medical surgery for self, immediate family, dependents and employees);
- Complete elimination of the marriage tax penalty;
- Providing self-employed persons the ability to claim one-half of their Social Security taxes as a business expense;
- Complete elimination of the estate tax, rather than a return to current rates in 2010;
- Elimination of the self-employment tax on income from rental of land; and,
- Incentives for agriculture research relating to new crops, alternative energy sources and new added-value products.

Finally, Congress should allow a 100% tax credit, of the cost of production, to farmers and ranchers who donate commodities to charitable organizations.

### **Small Farm Support**

Small, limited resource, and minority-operated farms play an important role in the fields of American agriculture. In southern states in particular, small farm production plays a key economic and cultural role. Families on small farms have been the foundation of our nation, rooted in the ideals of Thomas Jefferson and recognized as such in core agricultural policies. Our nation should renew our historical commitment to these farming families and increase our dedication to increasing the prominence of small farms in the 21st century. Black, Hispanic, Native American, Asian, other minorities and women have contributed immensely to our nation's food production and their contributions should be recognized and rewarded.

Federal farm policies should complement the efforts of states working to diversify their farm economies, add value to existing agricultural assets, and develop viable off-farm income opportunities through rural business development. Just as the federal government assumes responsibility for the retraining of workers displaced by trade agreements, the federal government should assume responsibility for farmers victimized by their dependency on a federal program that for over 60 years has provided them a guaranteed market with guaranteed prices.

Southern tobacco states in particular are in need of special attention. States are taking the initiative to diversify tobacco dependent agricultural economies in the wake of the demise of the federal tobacco program. The tobacco program has fostered a strong economic dependency on tobacco, and changes in the industry merit the government's attention to the plight of farmers.

State diversification efforts should be matched with federal resources to leverage the full potential of state efforts. Congress should support the sustainability of small farms, recognize their contribution to competition and cultural diversity, and increase awareness of the needs of limited resource producers.

## **Transportation & Infrastructure**

The productivity of transportation networks and related infrastructure play a key role in the development of a nation's economy. With closer integration of world markets under free trade and the globalization of the U.S. economy, businesses stand to gain immense market, technological, and financial opportunities from a superior infrastructure system. The physical infrastructure reflecting accumulated national wealth consists of large capital investments made over time in highways, waterways, airways, communications and other utilities. The institutional infrastructure comprised of organizations innovating under open market conditions is tested for its viability and are efficient service providers. However, in order to remain competitive, continuous investment in infrastructure is necessary.

The trends of increasing transportation and infrastructure needs will exert tremendous pressures on existing networks and the expansion of capacities will be necessary. However, the real challenge ahead for the infrastructure system is to improve the quality of services — reliability, frequency, availability, etc., which are largely intangible. This will require the development of a seamless transportation system providing mobility and access to passenger travel, and reliable and quick freight movements to lower business inventory costs. In addition to investment in physical facilities, significant technological contributions are expected from the newly emerging information technology (IT), electronic data interchange (EDI), and Intelligent Transportation Systems (ITS). Also, for farmers to be able to compete in an increasingly technological world and competitive marketplace, rural areas must have high speed Internet access and other technological infrastructure advances.

If we are to maintain higher wage levels and living standards, it is imperative to maintain higher labor productivity supported by efficient infrastructure services. Under free trade conditions and open international labor markets, the competitiveness of U.S. exports will depend on the productivity of two major inputs - labor productivity and infrastructure efficiency.

### *Port Facilities*

The Mississippi River and its tributaries are the nucleus of a transportation network that links the United States with the rest of the world. The port facilities of the South serve as the focal point for this system, where top export commodities consist of corn, soybeans, animal feed, and wheat while top import commodities consist of crude oil, concrete/stone products, petro-chemicals and ores. The continued development of international trade agreements, such as the World Trade Organization (WTO) and the Free Trade Area of the Americas (FTAA), and the trend toward free trade will only serve to increase the volume of trade going through the ports of Alabama, Florida, Louisiana, Texas, Virginia and other southern states.

For example, the Louisiana Statewide Inter-modal Plan (LSIP) projects substantial increases in the volume of major cargoes handled at Louisiana marine and rail-highway inter-modal terminals by 2020. Based on 1990 data, tonnage of coal would increase by 43%, grain would increase by 35% and general cargo would increase by 43%. The quantity of containers would increase by 43%. The projections are based on relatively modest growth rates. In

addition, the Statewide Inter-modal Transportation Plan forecasts that from 1990 to 2020 the population of Louisiana will grow from 4.22 to 4.83 million, vehicle miles traveled on state highways will increase by 100%, truck freight will increase more than 35%, rail shipments will increase by 51%, passenger embarkations at Louisiana's commercial airports will increase 81%, air cargo in Louisiana will increase by 600%, and the waterborne freight in Louisiana will increase by 47%. This growth, combined with potential changes in trade liberalization resulting from trade agreements such as the North American Free Trade Agreement and the Free Trade Area of the Americas, will serve to put pressure on the capacity of the existing infrastructure.

Given the capacity of the entire transportation system and the projected, specific increase in shipping volume, a large, long-term investment in our infrastructure must be made to assure that agriculture and other producing and consumer interests are well served.

### **New Farmer Incentives**

The future of agriculture in our nation rests on the ability of farmers to transfer their farms to the next generation as well as the ability of the next generation being able to make a decent living farming. If the number of farmers continues to decline, who will produce the nation's food supply?

Numerous obstacles have contributed to the decline of new farmers, including:

- Farming and ranching often does not provide a high enough economic return to support a family;
- There is a lack of capital available in the form of loans and grants for beginning farmers and ranchers; and,
- The current tax structure hinders intergenerational farm transfers.

Tax incentives (listed in the tax reform section) and other programs should be provided to beginning farmers. Recommended incentives for beginning farmers include reduced capital gains tax, the creation of a new tax-deferred savings accounts for farmers, deferred loans, increased funding for farmland preservation programs, and increasing the availability of subsidized loans, grants, and cost sharing programs. In addition, a tax incentive for those individuals renting or selling land to beginning farmers is recommended.

### **Biotechnology**

The twenty-first century is the century of biotechnology. Improving the environment, fighting hunger, and the development of nutraceuticals/functional foods (i.e., foods that possess medical or health benefits) result from biotechnology. Farmers have been able to meet the increased demand for food by staying on the cutting edge of technological advances. They must be able to continue to use these advances to meet the food demand of an ever-growing population. Biotechnology must not be hindered by a lack of funding or unnecessary regulations

based on emotion rather than sound science.

For centuries, farmers and ranchers have been using traditional methods to make and modify plants and food products (e.g., wheat and nectarines). Biotechnology employs modern scientific techniques to produce better foods and fiber faster. It allows farmers to reduce the use of herbicides and pesticides, thus improving the environment. In addition, bio-engineered crops may reduce the need for farming practices, such as tillage, that result in soil loss. Biotechnology helps fight hunger by increasing crop yields and developing plants that are resistant to diseases and environmental stresses (i.e., heat and drought). The development of foods containing nutrients and pharmaceutical properties result in low cost vaccines for the prevention of an array of bacterial and viral diseases. Eventually, biotechnology could result in the ability to remove specific allergenic proteins from food products.

Research and testing are at the forefront of new and improved foods produced through biotechnology that will provide mankind with an array of high value pharmaceutical and agricultural products. Biotech research is an investment for the future and must be funded to allow further development of biotech products.

A great deal of misunderstanding about biotechnology exists in the general public. Therefore, combining education of the public with biotech research is vital. Some extremist environmental groups use emotion — instead of scientific facts — to create fear about the safety of biotech products for consumption and use. However, legitimate concerns regarding possible environmental impacts must not be ignored. Sound science must prevail. Public acceptance of biotechnology and biotech products requires education and awareness. Education is needed to convey accurate and timely scientific information about the safety of biotechnology products. In addition to disseminating this information through venues such as state extension services, colleges and universities, 4-H programs, etc., a biotechnology education/public relations campaign using various media outlets must be waged for maximum effectiveness. Funding for such a campaign should be provided.

#### *Dual Marketing Systems for Biotech Products/Non-Biotech Products*

Because of foreign trade restrictions, primarily in European and Japanese markets, dual marketing systems for biotech and non-biotech products are being attempted. The separation of these products in the current U.S. marketing system is not feasible. The establishment of separate systems for harvesting, storage, delivery and processing of biotech and non-biotech products will require significant changes in the food industry, resulting in increased costs to the consumer. These cost increases will need to be justified with respect to added value and added markets. It should be recognized that many products produced by biotechnology do not contain the genetic modification following harvest, and therefore, these products should not require separation. (For example, the cotton produced by herbicide resistant/insecticidal cotton plants is identical in composition to cotton produced by non-biotech cotton plants.)

#### *Labeling of Biotech Foods*

Biotech products are currently reviewed by U.S. federal regulatory agencies (USDA,

APHIS, FDA, EPA), and labeling is an issue at all of these agencies. Current law requires biotech foods to be labeled if their composition or nutritional content is significantly different from their conventional counterparts or if they pose any health risks. Additionally, the FDA requires labeling if the biotech food product contains genetic material from known allergens (unless data shows there is no allergy risk). To date, the current regulatory system appears to be adequately based on the fact that no health or environmental problems have arisen from biotech foodstuffs. In fact, it is estimated that 60-70% of the foods in U.S. grocery stores contain one or more bio-engineered products. The FDA has concluded that the use or absence of the use of biotechnology in the production of a food ingredient or product does not, in and of itself, mean that a material difference exists in the food. The adoption of further laws regarding the labeling of biotech food products is currently unnecessary and would insinuate that the product is suspect from a nutritional or health standpoint. In addition, required labeling of biotech food products could result in increased food prices for consumers.

In the absence of labeling requirements, many groups have used terms such as "not genetically modified" or "GMO free" (genetically modified organism); however these terms are inaccurate as "genetic modification" is defined as the alteration of the genotype of a plant using **any technique**, new (biotechnology) or traditional (non-biotech methods). Further, the term "GMO free" may be misleading on most foods as most foods do not contain organisms (seeds and foods containing microorganisms, such as yogurt, are exceptions). Currently, there are no clear standards for the amount of genetically-engineered content a product may contain without being designated as a GMO or transgenic product. Even nations with biotechnology food product restrictions are grappling with what tolerance level to set, ranging from tolerances of 5% (i.e., the product is 95% free of genetically modified content) to 1% tolerance to zero tolerance. Countries adopting stringent standards such as the 1% and zero tolerance will critically impact U.S. exports. Such trade restrictions will be challenged by the U.S. as unallowable hindrances to free commerce at the World Trade Organization.

### *Legislation Regarding Crop Protection*

Crop destruction by radical environmentalists is becoming an increasing problem. Academic research institutions and biotechnology companies invest large sums of money to develop and test new products and technologies to ensure that America continues to provide a safe, affordable food supply for its citizens. Field testing on new biotech crops is essential to prove safety and efficacy beyond any doubt. This research must be protected. Many states classify destruction of test crops and facilities as a misdemeanor — hardly a deterrent to environmentalists. We recommend state legislation that would make such crimes a felony with severe monetary and punitive damages.

Furthermore, the following language is recommended:

- Any person or entity who willfully and knowingly damages or destroys any field crop product that is grown for personal or commercial purposes, or for testing or research purposes in the context of a product development program in conjunction or coordination with a private research facility or a university or any federal, state, or local government agency, shall be liable for twice the value of the crop damaged or destroyed.

- In awarding damages under this section, the courts shall consider the market value of the crop prior to damage or destruction, and production, research, testing, replacement, and crop development costs directly related to the crop that has been damaged or destroyed as part of the value of the crop.
- Damages available shall be limited to twice the market value of the crop prior to damage or destruction plus twice the actual damages involving production, research, testing, replacement, and crop development costs directly to the crop that has been damaged or destroyed.

### **Farm Labor Issues**

Agricultural labor shortages continue to plague the southern states with no signs of reversal. This problem is compounded by U.S. federal immigration policy.

The U.S. Department of Labor (DOL) currently administers the H-2A Program for Temporary Alien Agricultural Workers — a program created in the 1986 Immigration Reform and Control Act allowing employers to bring agricultural workers into the country on a temporary, non-immigrant basis. While the purpose of this program was to ensure agricultural employers have an adequate labor supply while protecting the jobs, wages and working conditions of domestic workers, it has not worked as originally envisioned. Problems lessening its effectiveness include inflexibility and difficulty for employer usage. Hampered by a variety of requirements and regulations, the H-2A program requires employers to complete considerable paperwork, understand and deal with at least four different state and federal agencies, and know a "middleman" in Mexico that can identify workers and ensure they can get to the farm. The time-consuming application process and the unreliability of many middlemen further exacerbate problems. To ensure that our agricultural community is able to maintain a qualified workforce, long-term policies must be implemented in the H-2A program.

One suggested solution is creating a system loosely based on the program that Canada and Mexico currently administer jointly. Based on a government-to-government memorandum of understanding (MOU), domestic workers must first be sought. When no domestic workers can be found, Canadian agricultural employers would then initiate the process of importing foreign workers under the MOU. This order must specify their labor needs, wages paid, etc. to the Department of Labor at least eight weeks in advance of the date workers are actually needed. Job orders must offer foreign workers a minimum of 240 hours of work in a period of six weeks, free housing and meals (or cooking facilities), and the minimum prevailing wage or the same domestic wage paid to domestic workers doing the same job, whichever is higher.

The Mexican government maintains an official registry of workers, as it does for Canada, eliminating the middleman required in the H-2A program. Each worker must be evaluated upon return to Mexico. Conducted government-to-government, the Canada/Mexico program has been extremely successful with 83% of agricultural employers in 1999 asking for workers by name.

As in any industry, safe working conditions must continue to be ensured. Knowledge and proper training is key in which both employers and employees receive work-related injury prevention training.

### **Conclusion**

As a number of regulatory and legislative issues will arise during the debate on the 2002 farm bill, (that have a substantial impact on southern agriculture,) the Southern Governors' Association should continue to work closely with Congress on this critical legislation.

## Appendix 1:

### **Resolution Regarding Reauthorization of the 2002 Farm Bill**

Sponsored by Governor Mike Huckabee of Arkansas  
Approved February 27, 2001  
Southern Governors' Association Winter Meeting  
Washington, DC

Whereas, agriculture, which has critical importance in the South not only to our economy, but to our regional and cultural identity and way of life, is facing rapid changes in technology and an increasing global economy; and,

Whereas, our long-term investments in value-added processing through research and development can enable farmers to secure a profitable market price and encourage young agri-leaders to enter production agriculture; and,

Whereas, the cost of government commodity programs has varied in recent years between \$5 billion and \$26 billion in nominal terms, and removed acreage from production thus reducing the cost effectiveness of the program; and,

Whereas, an adequate investment from the federal government in private land conservation is crucial to our maintaining a high level of agricultural capability -- a principle deserving equal status and funding to commodity price support and risk management; and,

Whereas, global trade is crucial to the survival of American agriculture, calling for fair application and enforcement of current and future trade agreements to secure a level playing field for exporters of U.S. food and fiber;

Whereas, the cost of agricultural corporate mergers over the past eight years will ultimately be financed by the consumer and family farmer, posing a significant threat to American agriculture;

Whereas, a number of regulatory and food safety and nutrition issues have risen outside of the statutory constructs of the 1996 farm bill, having a substantial impact on the agricultural industry; now, therefore, be it

*Resolved*, That the Southern Governors' Association, with respect to the 2002 farm bill, urges Congress and the Administration to:

- Consider a major funding research and development block grant initiative to state departments of agriculture and other appropriate state entities, which could work with universities and non-traditional research entities to spur value-added processing;
- Make commodity program payments, production agreements, limitations, and quotas, belong to and follow the producer, rather than the landowner — taking care not to violate WTO agreements;
- Consider enacting agricultural federal tax incentives — reducing local property taxes for small producers in high tax areas — so farmers can continue to farm rather than sell land for other uses;
- Work together to ensure fair application of current and future trade agreements that will open the door to new foreign markets;
- Urge the U.S. Justice Department to review the implications of the consolidation of agricultural businesses with respect to the Sherman Anti-trust Act and assign a senior level Justice official to this task; and,
- Work closely with the Southern Governors' Association and Agriculture Working Group on these issues as well as those dealing with regulatory relief and food safety and nutrition.



## **Appendix 2:**

### **Resolution Regarding Reauthorization of the 2002 Farm Bill**

Sponsored by  
To Be Considered September 9, 2001  
Southern Governors' Association 67th Annual Meeting  
Lexington, Kentucky

Whereas, agriculture, which has critical importance in the South not only to our economy, but to our regional and cultural identity and way of life, is facing rapid changes in technology and an increasing global economy; and,

Whereas, our long-term investments in value-added processing through research and development can enable farmers to secure a profitable market price and encourage young agri leaders to enter production agriculture; and,

Whereas, the cost of government commodity programs has varied in recent years between \$5 billion and \$26 billion in nominal terms, and removed acreage from production thus reducing the cost effectiveness of the program; and,

Whereas, an adequate investment from the federal government in private land conservation is crucial to our maintaining a high level of agricultural capability -- a principle deserving equal status and funding to commodity price support and risk management; and,

Whereas, global trade is crucial to the survival of American agriculture, calling for fair application and enforcement of current and future trade agreements to secure a level playing field for exporters of U.S. food and fiber; and,

Whereas, the cost of agricultural corporate mergers over the past eight years will ultimately be financed by the consumer and family farmer, posing a significant threat to American agriculture; and,

Whereas, a number of regulatory and food safety and nutrition issues have risen outside of the statutory constructs of the 1996 farm bill, having a substantial impact on the agricultural industry; and,

Whereas, small farms contribute to competition and cultural diversity and increase awareness of the needs of limited resource producers; and,

Whereas, transportation networks and related infrastructure play a key role in the nation's economy and will see increased volume due to international trade agreements; and,

Whereas, low economic return for family farmers, the lack of capital for entering the profession, and our current tax structure, prevent new farmers from entering the profession; and,

Whereas, technological advances in science have the ability to improve the environment, fight hunger and provide greater health and medical benefits; and,

Whereas, agricultural labor shortages, complicated by U.S. federal immigration policy, continue to plague the South, now, therefore, be it

*Resolved*, That the Southern Governors' Association, with respect to the 2002 farm bill, urges Congress and the Administration to:

- Create a major funding research and development block grant initiative to state departments of agriculture and other appropriate state entities which could work with universities and non-traditional research entities to spur value-added processing;
- Make commodity program payments, production agreements, limitations, and quotas, belong to and follow the producer, rather than the landowner - taking care not to violate WTO agreements;
- Continue Loan Deficiency Payments and marketing assistance loans to protect farmers against price levels below the Marketing Loan rate.
- Discourage, eliminate and prosecute "insurance farmers" under the crop insurance program and require coverage of farmers for disaster relief payments eligibility;
- Enact agricultural federal tax incentives — reducing local property taxes for small producers in high tax areas — so farmers can continue to farm rather than sell land for other uses as well as other tax provisions for environmental/conservation improvements, agriculture research and donations of commodities to charitable organizations;
- Work together to ensure fair application of current and future trade agreements that will open the door to new foreign markets;
- Urge the U.S. Justice Department to review the implications of the consolidation of agricultural businesses with respect to the Sherman Anti-trust Act and assign a senior level Justice official to this task;
- Support programs that will sustain small farms;
- Invest in our infrastructure and transportation network to assure that agriculture and other producing and consumer interests are well served;
- Encourage new farmers to enter agriculture production with incentives and other programs such as capital gains taxes, new tax-deferred savings accounts and deferred loans;
- Discourage dual marketing systems for biotech and non-biotech products, maintain the current regulatory system on labeling of biotech foods, and pass legislation to protect against crop destruction aimed at academic research institutions and biotechnology companies;
- Implement a farm labor system, based on the agreement between Canada and Mexico, which will provide an orderly, efficient way to import farm workers; and,
- Work closely with the Southern Governors' Association to accomplish these objectives for the 2002 farm bill.

## **Appendix 3:**

### **SGA Agriculture Working Group**

#### **Alabama**

Stacey Bryan  
Alabama Agribusiness Council

#### **Arkansas**

Dotson Collins  
Governor's Office

#### **Florida**

Dr. Martha Roberts  
Deputy Commissioner, Florida Department of  
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R. Clarke Cooper  
Florida State Office, Washington, DC

#### **Georgia**

The Honorable Tommy Irvin  
Commissioner of Agriculture

#### **Kentucky**

John-Mark Hack  
Governor's Office of Agricultural Policy

#### **Louisiana**

Dr. Gail Cramer  
Department Head  
Department of Agricultural Economics  
and Agribusiness  
Louisiana State University AgCenter

#### **Maryland**

S. Patrick McMillan  
Special Assistant to the Secretary/Intergovernmental  
Relations  
Department of Agriculture

#### **Mississippi**

The Honorable Lester Spell, Jr.  
Commissioner, Department of Agriculture and  
Commerce

#### **Missouri**

Peter Hofherr  
Deputy Director  
Missouri Department of Agriculture

#### **North Carolina**

Dr. Maurice Cook  
Office of the Governor

#### **Oklahoma**

Dennis Howard  
Commissioner, Agriculture Department

#### **Puerto Rico**

Dr. Miguel Muñoz  
Secretary, Agriculture Department

#### **South Carolina**

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#### **Tennessee**

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#### **West Virginia**

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