

TRANSFORMING U.S. FARM POLICY FOR THE 21ST CENTURY



American Farmland Trust



Agenda 2012



Every five years, the farm bill provides the most significant opportunity to influence agriculture in America, including what crops are grown, where and when they are grown, and how the land is farmed. As a result, the farm bill has an enormous impact on the nation's environment and health.

Today, America faces critical food, farm, energy and environmental challenges. Farmers and ranchers find themselves confronted with mounting environmental concerns and rapidly increasing demands for food, feed, fuel and fiber—all contributing to competition for land and water. Population growth, rising incomes and a changing climate also drive this competition, forcing farmers to attempt to do more with less. But agriculture can meet these challenges with the right set of farm policies.

Change is coming to U.S. farm policy. The government policies of the past, once critical to American prosperity, are not designed to meet the challenges of the 21st century. The status quo is not working and is not an option. However, powerful forces are making change inevitable in this next farm bill, including calls for budget deficit reduction and a growing concern that farm policies do not serve the health of the nation.

The 2012 Farm Bill provides the opportunity to transform policies to promote competition and prosperity for all farm sectors, conserve land and natural resources, and foster a more diverse and healthy food system. Although the Agriculture Committees have made recommendations, there is still much work to be done on the 2012 Farm Bill: defining new policies and programs, securing passage in the House and Senate and working through the program implementation details.

American Farmland Trust's *Agenda 2012: Transforming U.S. Farm Policy for the 21st Century* seizes this opportunity and establishes a framework to guide this work. It includes recommendations for protecting farmland as a strategic national resource, strengthening environmental stewardship, reforming farm safety net programs and promoting health and rural development. It builds off AFT's pioneering work in the last farm bill and sets a new direction for U.S. farm policy guided by listening to the needs of farmers and ranchers, engaging research experts and building coalitions with farm policy stakeholders in support of innovative ideas and proposals.

Protect farm and ranch land for U.S. national security

Farm and ranch land is critical to the nation, providing food, fiber and, increasingly, energy and environmental services. Yet, over the last 25 years, the nation has lost more than 23 million acres of farmland—an area roughly the size of Indiana—to sprawling development. America is blessed with some of the most productive soils in the world, but prime soils—those best suited to producing food and other crops with the fewest inputs and least amount of erosion—are being developed the fastest.

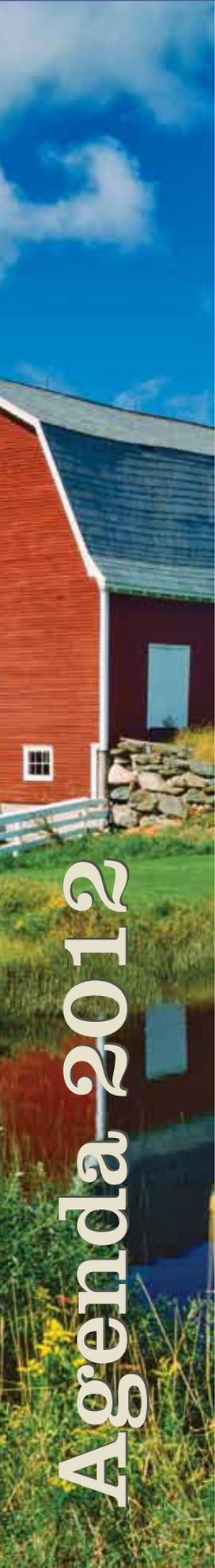
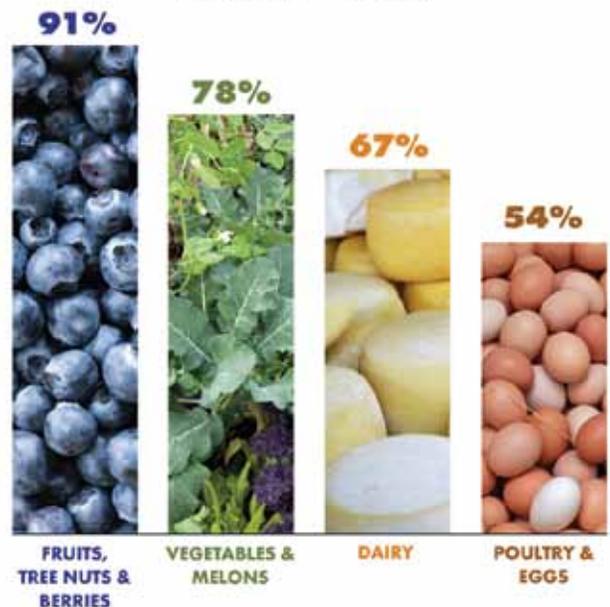
Already most of the food we eat is grown in urbanizing counties where development pressures are most intense, including 91 percent of America’s fruit and nuts; 78 percent of vegetables and melons; 67 percent of dairy and 54 percent of poultry and eggs. With increasing demand, it simply makes sense to protect and conserve the nation’s most precious, productive land.

Fortunately, the federal government does have programs in place to help farmers and ranchers, local governments and local entities preserve land resources through the use of tools like easements. Even with the budget pressures we face, AFT recommends retaining current levels of funding for the permanent protection of working lands. The federal government can continue to leverage resources to help landowners and communities access the tools they need to address threats to the agricultural landscape. However, under the current structure, there is a confusing array of programs available, some of which are very similar if not outright duplicates of each other.

In the 2012 Farm Bill, we recommend that federal conservation easement programs be streamlined and consolidated into two: a Working Lands Easement Program designed to protect farm and ranch land by keeping it in production forever; and a Land Retirement and Restoration Program that will seek to retire environmentally sensitive lands and take it out of production. This consolidation will create a simpler and more efficient farm and ranch land protection program, while reducing confusion and improving the effectiveness of easements for farmers and ranchers. Furthermore, we propose a new “Debt-for-Easement” program that would retire debt on working lands in exchange for permanent conservation easements—both protecting productive land while helping to keep farmers in farming.

FOOD IN THE PATH OF DEVELOPMENT

Percentage, by market value, produced in counties subject to urban influences



Strengthen conservation to meet 21st century challenges

The nation's working lands make up nearly half the land in the continental United States. As the single largest user of land and water resources, agriculture has a significant impact on the environment. The farm bill also represents the largest annual conservation investment in the federal budget. Recent USDA reports document the significant progress and accomplishments of farmers and ranchers in improving environmental performance. But those same reports also highlight serious environmental concerns that remain. In the future, the pressure to improve environmental performance will only grow with new calls for regulations. It is imperative to improve federal conservation programs, making them more effective, streamlined and efficient.

AFT recommends maintaining as much conservation funding as possible given budget constraints while improving effectiveness, removing barriers to adoption of conservation practices and promoting environmental markets. There are a number of ways we can achieve these objectives. AFT proposes that federal conservation programs be streamlined and simplified in order to provide greater flexibility for farmers and ranchers. For example, rather than addressing on-farm stewardship practices with a half-dozen cost-share programs, we propose streamlining those programs into two, with one focused on individual projects and one that provides funding for whole-farm changes.

Greater efficiency and effectiveness in conservation programs also requires incorporating the latest technology and techniques and allowing programs to have increased monitoring and accountability—which in turn ensures that taxpayers dollars are being well-used. Finally, research indicates that a majority of agricultural environmental concerns stem from a minority of sources. As such, this farm bill must usher in a new system to promote highly effective, performance-based and strategic conservation efforts that focus resources on the most pressing problems on the landscape. This system would be available to address both immediate regional and multi-state issues as well as help farmers and ranchers identify and address resource concerns at a more localized level.

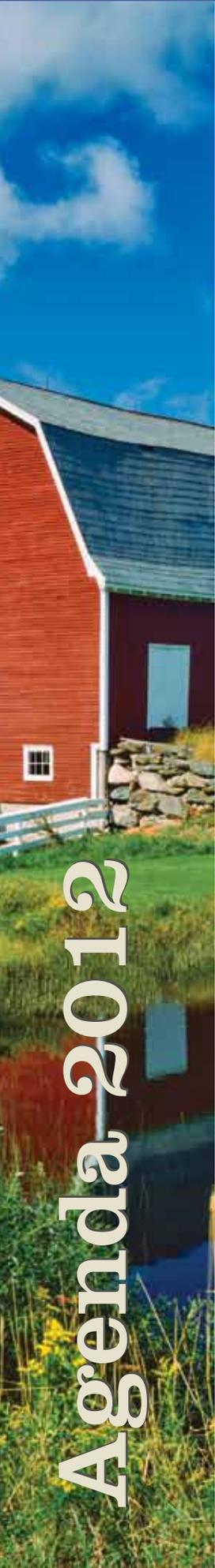


Provide risk management with minimal distortions

AFT believes that existing farm support programs need to be reformed, because they can be inequitable, inefficient and cause market distortions that have negative environmental impacts. In many ways, they serve neither farmers nor taxpayers well. However, farming is a risky business. Farmers are exposed to risks that are both beyond their control and are shared with no one else in society. Droughts, floods and extreme swings in global markets can quickly place farmers on the brink of bankruptcy. These large-scale, systemic risks require a government program when economic or physical disaster hits. A 21st century farm safety net would save taxpayers significant money; complement but not duplicate crop insurance; require a real loss before farmers receive payments; adjust with market prices; and include systems that ensure no adverse environmental impacts.

The 2012 Farm Bill can serve as a transformative moment. AFT recommends continuing the shift begun during the last farm bill to replace outdated farm support programs. A modern safety net should be less costly, revenue-based, and require that farmers suffer a real, objective loss to receive a payment. It must also shift support quickly up and down with market conditions.

Farm support and subsidy programs must also work to improve environmental performance on the land. Taking away too much risk through government payments can impact decisions made by farmers about what to plant and where, rather than leaving it up to market forces. In the 2012 Farm Bill, AFT seeks a safety net that minimizes such distortions. To further stewardship practices that safeguard the environment, we recommend reattaching basic environmentally based accountability and compliance provisions—currently in effect for commodity support programs—to crop insurance while modernizing their enforcement.



Helping to create a more diverse and economically resilient farm and food system

Today, the majority of American farm families need to have an off-farm income in order to stay on their land. Over the past several decades, the economic divide between larger farms and small farms has dramatically increased, with those in the middle now being squeezed. Five times as many farmers are now 65 and older compared to those 35 and younger, a clear signal that agriculture needs to be reinvigorated. America's farm policy must enhance rural prosperity, improve food security in urban and rural areas, and support communities striving to maintain their working farms and ranches.

AFT believes that in the short-term, one critical way to improve farm viability is to take advantage of the growing consumer preference for healthy and local food. The 2012 Farm Bill must continue to build upon trends in the last nutrition title that shifted toward healthier diets in a variety of programs. Doing so will make for a healthier America, reducing government health care costs and improving farm incomes as farmers and ranchers rise to meet this new demand. The last farm bill also saw an expansion in community-based food systems and regional food infrastructure. AFT believes that a renewed commitment and focus in government programs will help to stimulate the trend in local and regional food markets; the farm bill can play a critical role in helping this nascent sector grow.

Over the long-term, the nation's agricultural system faces a number of structural challenges. AFT recommends government investment in identifying, training and assisting new and beginning farmers; building a more resilient agricultural industry; and improving the appeal of rural communities for the next generation. National investments can pay off by ensuring the resiliency of the industry. USDA plays a critical role in helping rural communities grow, but AFT believes their leadership must be expanded by coordinating and, in some cases, leading economic development efforts across federal agencies. Finally, USDA's rural development work currently fails to take enough account of land use, resulting in policies that lead to the needless loss of prime and unique farmland. USDA must be the leading federal agency in the country in minimizing, or mitigating against, the loss of prime and unique farmland.





The 2012 Farm Bill is an opportunity to address the nation's challenges by protecting farm and ranch land, helping agriculture contribute to environmental solutions, keeping farmers on their land, and creating a diverse and viable food system. Providing healthy and safe food and addressing environmental concerns are among the top priorities of a majority of Americans.

U.S. farm policy is going to change. *Agenda 2012: Transforming U.S. Farm Policy for the 21st Century* charts a course that can lead to a forward-looking, farmer-friendly, resource-conserving farm bill. AFT calls on others to join in and support policies for a better tomorrow.

Follow updates on the 2012 Farm Bill and access additional information on AFT priorities and positions at www.farmbillfacts.org.

The mission of American Farmland Trust is to save the land that sustains us by protecting America's farm and ranch land, promoting environmentally sound farming practices and ensuring an economically sustainable future for farmers and ranchers.

AMERICAN FARMLAND TRUST

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