

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SIMPSON) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, pursuant to House Resolution 252, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1200

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2883, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mr. GOSS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2883, the Clerk be authorized to make such technical and conforming changes as necessary to reflect the actions of the House.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Florida?

There was no objection.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

FARM SECURITY ACT OF 2001

The SPEAKER pro tempore. Pursuant to House Resolution 248 and rule

XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2646.

□ 1200

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, October 4, 2001, amendment No. 34 printed in the CONGRESSIONAL RECORD by the gentlewoman from Ohio (Ms. KAPUR) had been withdrawn.

Pursuant to the order of the House of that day, no further amendment may be offered except one pro forma amendment each offered by the chairman or ranking minority member of the Committee on Agriculture or their designees for the purpose of debate.

There being no further amendments in order under the order of the House, the question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

Mr. SHAYS. Mr. Chairman, during my service in Congress, I have consistently opposed agricultural welfare programs. This Farm Bill, for the most part, represents business-as-usual for our nation's heavily-subsidized farmers. It's unfortunate to know that at a time of such advances in every other area of our lives, our agriculture sector has all the sophistication of a Soviet commune.

But there is something to smile about, because this Farm Bill contains one vital reform: the abolition of the federal peanut quota program. This program is truly a relic of the Great Depression, and today it's put on notice that its days are numbered.

The General Accounting Office has found the peanut program provides substantial benefits to a small number of producers who hold most of the quota, restricts peanut production by other farmers, and increases consumer costs by between \$300 million and \$500 million annually.

For years, I've had a hard time understanding why our government favors one group of American peanut farmers—those who own quotas—over other American farmers who don't own this privilege. This program harms so many for the benefit of such a select few.

My partner in reform, Congressman PAUL KANJORSKI, and I have always maintained that it was not our intention to pull the rug out from under our nation's peanut farmers. Rather, our goal has always been to bring peanuts in line with other commodities, and the legislation we introduced replaced quota restrictions with the same non-recourse loan system enjoyed by other commodities.

Some of my colleagues may be concerned with the Farm Bill's approach, which shifts the burden from consumers to taxpayers.

I agree this compromise isn't perfect, but it does meet two essential criteria we've set for

reform. First, and most important, it repeals the quota system. This is the key to making the peanut industry more market-oriented, providing a level playing field for farmers, and promoting international trade.

Second, as GAO confirmed in correspondence I will submit for the record, this bill "Would essentially bring the peanut program in line with other commodity programs."

Why is this important? Because taking peanuts off a separate track will ultimately make it easier to enact future reforms. It also exposes the hidden costs of the existing program by putting it "on the books."

There are still some concerns I have with what we're accomplishing today. First, this legislation compensates quota holders for the loss of their asset, which I must confess I think is fair. While those of us who want reform are willing to accept this provision, it is only under the understanding that the Chairman shares our commitment to let it expire after five years specified in this bill.

Second, at a cost of \$3.5 billion over 10 years, these reforms will come at some expense. With a rapidly shrinking budget surplus and tremendous needs in other areas, we are going to have to reexamine whether this is the best use of taxpayers' dollars.

Finally, I'm concerned about findings by the GAO that several of the new subsidies for peanuts may be identified as "trade distorting" under the 1994 Uruguay Round of trade talks. If we expect other nations to lower their trade barriers, we need to ensure we're not erecting barriers of our own.

Mr. Chairman, during the course of debate on this bill, I'm going to continue to express reservations about our overall agriculture policy. But at this moment, I want to commend the Chairman of the Agriculture Committee, Mr. COMBEST, for bringing us closer that we've ever been to ending the Byzantine system of price supports for peanuts.

I would also request unanimous consent to submit for the CONGRESSIONAL RECORD a September 26 letter from the General Accounting Office reviewing the peanut title of this Farm Bill.

UNITED STATES GENERAL ACCOUNTING OFFICE,

Washington, DC, September 26, 2001.

Hon. CHRISTOPHER SHAYS,
House of Representatives.

Hon. PAUL E. KANJORSKI,
House of Representatives.

Subject: Peanut Program: Potential Effects of Proposed Farm Bill on Producers, Consumers, Government, and Peanut Imports and Exports.

The current federal peanut program, administered by the U.S. Department of Agriculture (USDA), is designed to support producers' incomes while ensuring an ample supply of domestically produced peanuts. To accomplish these goals, the program controls the domestic supply of peanuts and guarantees producers a minimum price for their crops. This price substantially exceeds the price of peanuts in world markets. The program uses two mechanisms to control the domestic supply of peanuts: (1) a national quota on the number of pounds that can be sold for edible consumption domestically and (2) import restrictions. While anyone can grow peanuts, only producers holding quota, either through ownership or rental of farmland, may sell their peanuts domestically, as "quota" peanuts. Generally, all other production, referred to as "additional" peanuts, must be exported or crushed for oil and meal.

The program protects producers' incomes through a two-tiered system that sets minimum support prices for quota and for additional peanuts. Producers of quota peanuts are guaranteed a support price of \$610 per-ton, called the "quota loan rate." Producers of additional peanuts are guaranteed a lower support price of \$132 per-ton, called the "additional loan rate." Producers may sell their peanuts at or above these loan rates, or they may place their peanuts under loan with USDA and have the government sell them. This program, while long-standing, has been criticized by GAO and others because, among other things, it provides substantial benefits to a relatively small number of producers who hold most of the quota, generally restricts nonquota holders from producing peanuts for the U.S. domestic market, and increases consumers' cost. The program is, however, designed to operate generally at "no-net cost" to the government. Additionally, since the \$610 per-ton quota loan rate is substantially higher than the estimated world price—\$321 to \$462 per-ton from 1996 through 2000—the quota loan rate provides incentives for exporting countries to maximize the quantity of peanuts the U.S. allows to be imported under recent trade agreements. These imports could displace domestically produced peanuts that otherwise would enter U.S. food marketing channels.

To address these and other concerns about the peanut program, you asked that we review its structure and operations under the 1996 Farm Bill, and its impacts on producers, consumers, the federal government, and imports and exports of peanuts. However, on July 27, 2001, before we completed our review, the House Committee on Agriculture approved the 2002 Farm Bill, for 2002 through 2011 (the Farm Security Act of 2001, H.R. 2646). If enacted, this bill would fundamentally alter the peanut program's structure by, among other things, eliminating the national poundage quota and allowing peanut buyers to purchase domestically produced peanuts at the prevailing market price. Because of your interest in making the program more market-oriented, you subsequently asked us to report on the potential impact of this bill on producers, consumers, the federal government, and imports and exports of peanuts.

**MAJOR CHANGES TO THE PEANUT PROGRAM
UNDER THE HOUSE COMMITTEE ON AGRICULTURE'S BILL**

Beginning in 2002, and for the next 10 years, the bill passed by the House Com-

mittee on Agriculture would eliminate the national poundage quota and replace the current two-tiered price system with several new support mechanisms for peanut quota owners and producers. These changes would essentially bring the peanut program in line with other commodity programs. The bill would establish the following new types of support for peanut producers:

A "counter-cyclical" payment. This payment would provide financial assistance to producers when prices are below a legislatively established target price. Peanut producers would receive a payment based on the difference between a USDA-calculated price and a \$480 target price—known as a counter-cyclical payment. The payment amount would be calculated on 85 percent of a producer's peanut acres and the average yield for crop years 1998 through 2001. A producer's production during these years would be the producer's base production. Since the payment would be calculated using historic yield and acreage, producers would receive it even if they choose not to plant peanuts. According to the Congressional Budget Office (CBO), the counter-cyclical payments would cost an estimated \$1.24 billion in government expenditures over the life of the farm bill.

A "fixed, decoupled" payment. This payment would provide peanut producers with compensation similar to the production flexibility contract payments provided for other crops, such as cotton and wheat, in the 1996 Farm Bill (Federal Agriculture Improvement and Reform Act of 1996). Producers with base production would receive support—known as a fixed, decoupled payment—in the amount of \$36 per-ton on the base production. This support is called "decoupled" because it would be paid whether or not a producer chooses to grow peanuts and regardless of market prices. Since the payment would be calculated using historic yield and acreage, producers would receive it even if they choose not to plant peanuts. According to CBO, the fixed, decoupled payments would cost an estimated \$0.63 billion over the life of the farm bill.

A marketing assistance loan. This loan would provide producers with interim financial assistance at harvest, when prices are usually lower than at other times of the marketing year. Producers could pledge their stored peanuts as collateral for up to 9 months at a loan rate of \$350 per-ton. Producers would then repay the loan at a rate that is the lesser of (1) \$350 per-ton plus interest or (2) a USDA-calculated loan repayment rate, which was not specified in the

bill. If producers were to redeem the loan at less than the loan amount, they would realize a marketing loan gain. Alternatively, producers could receive an amount equivalent to the marketing assistance loan gain, referred to as a loan deficiency payment, by agreeing to forgo a loan. Producers would also be able to forfeit their peanuts to the government as payment for their loan, regardless of the market value of peanuts at the time. According to CBO, the marketing loan payments will cost an estimated \$0.44 billion over the life of the farm bill.

A "buy-out" payment. Quota owners would receive compensation for the lost asset value of their quota. This "buy-out" payment would be made in five annual installments of \$200 per-ton during fiscal years 2002 through 2006. The payment would be based on the quota owners' 2001 quota. According to CBO, payments would total \$1.18 billion to quota owners for the 5-year period from 2002 through 2006.

All peanut producers would be eligible to receive a marketing assistance loan or a loan deficiency payment. However, only those who produced peanuts during crop years 1998 through 2001 (the base production period) would be eligible to receive counter-cyclical and fixed, decoupled payments.

ALL PEANUT PRODUCERS WOULD BENEFIT UNDER THE HOUSE COMMITTEE ON AGRICULTURE'S BILL

New and existing peanut producers would benefit from the support mechanisms contained in the House Committee bill. Table 1 shows the estimated amounts producers would receive from peanut sales and government support under the current peanut program compared with the House Committee bill. Because the peanut provisions of the House Committee bill would essentially establish minimum guaranteed prices—a target price of \$480 per-ton for base production and a \$350 per-ton marketing assistance loan for all other production—the amounts shown in the table generally represent the minimum amount producers could expect to receive for their production.

The table assumes that a peanut producer has 100 acres under production, a yield of 2,500 pounds per acre, and receives a market price of \$325 per-ton. These production and yield assumptions are based on national averages contained in USDA's 1997 Census of Agriculture. The \$325 market price is an estimate based on conversations with shippers and area marketing associations in August 2001.

TABLE 1.—MINIMUM ESTIMATED AMOUNTS PRODUCER WOULD RECEIVE UNDER THE CURRENT AND PROPOSED PEANUT PROGRAMS, ON 100 ACRES OF PRODUCTION

Types of program supports	100 percent quota producer with base production	100 percent additional producer with base production	New producer without base production
Current program:			
Quota support price	¹ \$76,250	Not applicable	Not applicable
Additional support price	Not applicable	² \$16,500	² \$16,500
Total amount	\$76,250	\$16,500	\$16,500
Proposed program:			
Market revenue	² \$40,625	³ \$40,625	³ \$40,625
Counter-cyclical	⁴ \$9,988	⁴ \$9,988	Not applicable
Fixed, decoupled	⁵ \$3,825	⁵ \$3,825	Not applicable
Marketing assistance loan gain	⁶ \$3,125	⁶ \$3,125	⁶ \$3,125
Lost asset value	⁷ \$25,000	Not applicable	Not applicable
Total amount	\$82,563	\$57,563	\$43,750
Difference between current and proposed program	\$6,313	\$41,063	\$27,250

¹ Represents the product of the \$610 per-ton quota support price times 1.25 tons (2,500 pounds per acre) times 100 acres. Because this is considered a "no-net cost" program to the government, this is paid by the consumer.

² Represents the minimum amount an additional or new peanut producer would receive, calculated as the product of \$132 per-ton additional loan rate times 1.25 tons (2,500 pounds per acre) times 100 acres. However, these producers may receive higher amounts if they sell their peanuts for export rather than placing them under loan.

³ Represents the \$325 per-ton market price times 1.25 tons (2,500 pounds per acre) times 100 acres.

⁴ Represents the \$480 per-ton target price minus the \$350 loan rate and the \$36 per-ton fixed, decoupled payment times 1.25 tons (2,500 pounds per acre) times 100 acres times 85 percent. Producers would receive this payment even if they choose not to plant peanuts since it is calculated using historic yield and acreage.

⁵ Represents the \$36 per-ton fixed, decoupled payment times 1.25 tons (2,500 pounds per acre) times 100 acres times 85 percent. Producers would receive this payment even if they choose not to plant peanuts since it is calculated using historic yield and acreage.

⁶ Represents either a marketing loan gain or a loan deficiency payment. It is the product of the difference between the \$350 per-ton marketing assistance loan and the \$325 per-ton market price times 1.25 tons (2,500 pounds per acre) times 100 acres. If the market price decreases, these government support costs would increase to make up the difference between the lower market price and the marketing assistance loan rate.

⁷ Represents the product of the \$200 per-ton compensation for the lost asset value of quota times 1.25 tons (2,500 pounds per acre) times 100 acres. This "buy-out" payment is only paid during fiscal years 2002–2006.

Note.—Under the proposed program, producers with base production could also receive support as a new producer if they expand production.

Source: GAO's analysis of USDA's data and the House Committee bill.

As the table shows, most of the government's payments under the House Committee bill would go to quota peanut producers with base production, followed by payments to additional peanut producers with base production. This is because quota holders and additional producers would be eligible to receive the counter-cyclical payment, the fixed, decoupled payment, and a marketing assistance loan payment. In addition, quota owners would be compensated for the value of their lost asset.

Nevertheless, current additional and new peanut producers potentially gain the most under the House Committee bill because they could (1) market their peanuts in the domestic edible market and (2) receive a minimum guaranteed price of \$350 per-ton under the marketing assistance loan. For example, as the table shows, producers of additional peanuts with base production on 100 acres would have been guaranteed \$16,500 per year under the existing program, compared with \$57,563 under the proposed bill.

Peanut production would be expected to increase to the extent that the House Committee bill would provide increased returns to producers that are higher than the returns they would have received under the old program or that are higher relative to other commodities that they produce. If production increases, it is likely to cause market prices for peanuts to fall and government payments to increase.

CONSUMERS SHOULD PAY LESS FOR PEANUTS, BUT THE GOVERNMENT WOULD PAY MORE

Under the House Committee on Agriculture's bill, the burden of supporting peanut producers would shift from consumers to the government. Consumers—defined as sellers, manufacturers, and the general public—should pay less for domestically produced peanuts because the proposed legislation would eliminate the \$610 quota support price, which is substantially higher than the estimated \$321 to \$462 per-ton world price over the past 5 years.

While consumers should benefit under the House Committee bill, government costs would increase. For example, the current peanut program is intended to operate with no net cost to the government, while the House Committee bill would provide direct government support payments to peanut producers. CBO estimates that these direct support payments would cost \$3.5 billion over the next 10 years. This cost estimate includes counter-cyclical and fixed, decoupled payments, marketing assistance loans, and the buy-out payments for the lost asset value of the quota. To the extent to which producers expand production beyond CBO's estimates, increases in government costs could be greater than estimated.

PROPOSED PROGRAM PROVISIONS MAY BE CONSIDERED TRADE DISTORTING BUT SHOULD DECREASE INCENTIVES FOR IMPORTS

Several of the new support mechanisms contained in the House Committee bill may be identified as "trade distorting"—altering free trade of peanuts—under the 1994 Uruguay Round Agreement on Agriculture. For example, gains resulting from loan deficiency payments and marketing assistance loans for other crops, such as corn and cotton, have previously been identified as trade distorting by USDA. Our obligation under the Uruguay Round Agreement is to hold the amount of such U.S. trade-distorting government support below \$19.1 billion annually by 2000. In 1998, USDA notified the World Trade Organization that 12 commodities received support identified as trade distorting, but the amount remained within the cap. Negotiations are under way, however, to further reduce trade-distorting government support.

Although some of the new support mechanisms may be considered trade distorting, to

the extent to which they lead to lower domestic peanut prices, these supports should reduce incentives for imports, primarily from Argentina and Mexico. According to peanut shellers, domestically produced peanuts would be purchased at prices that are less than the current \$610 per-ton quota loan rate. The shippers also hope that a lower U.S. peanut price will help them increase exports.

AGENCY COMMENTS

We received oral comments on a draft of this report from USDA's Farm Service Agency, the Foreign Agricultural Service and the Economic Research Service and the U.S. Trade Representative. They generally agreed with the substance of the report and provided technical and clarifying comments, which we incorporated as appropriate. FSA officials also informed us there are certain items in the House Committee bill that will require technical clarification. USDA has sent a letter to the House Agricultural Committee requesting guidance and clarification of these issues and was awaiting a response from the Committee as of the date of this letter.

SCOPE AND METHODOLOGY

In order to respond to your request, we obtained and analyzed the Farm Security Act of 2001, testimony provided by producer and industry officials to the House Committee on Agriculture in June 2001 and the Senate Committee on Agriculture, Nutrition, and Forestry in July 2001, the World Trade Organization and the USDA Economic Research Service reports on domestic supports, the USDA's 1997 Census of Agriculture, and other information pertaining to domestic and international peanut production. We also interviewed representatives from USDA, peanut area marketing associations, peanut shippers, and a product manufacturer concerning the bill's provisions and potential impacts. To estimate the minimum amount of producer receipts, we reviewed the applicable provisions of the House Committee bill, obtained and examined data on peanut production, yield, and price.

We conducted our work from July through August 2001, in accordance with generally accepted government auditing standards.

We will provide copies of this report to the congressional committees with jurisdiction over farm programs; the Honorable Ann M. Veneman, Secretary of Agriculture; Ambassador Robert B. Zoellick, U.S. Trade Representative; and other interested parties. The letter will also be available on GAO's home page at <http://www.gao.gov>.

If you have any questions about this letter, please contact me at (202) 512-3841 or Assistant Director Robert C. Summers at 404-679-1839. Other key contributors to this report were Carol Bray, Mary Denigan-Macauley, and John C. Smith.

LAWRENCE J. DYCKMAN,
Director, Natural Resources and Environment.

Mr. MORAN of Kansas. Mr. Chairman, I rise today to support H.R. 2646, the Farm Security Act of 2001. Today's farm bill is the result of two years' work by Chairman COMBEST and Ranking Member STENHOLM.

On September 18, 1999, eight other members of the House Agriculture Committee, Republicans and Democrats, came to Hutchinson, Kansas for a field hearing on the State of the Farm Economy. The hearing came at a time when Congress was poised to act on its second emergency assistance bill in as many years.

With the passage of a disaster package in October of 1998, the Chairman of the committee saw it appropriate to come to Kansas

the next year and begin to hear from farmers and ranchers on suggested changes for farm programs. For the next two years, farmers continued to struggle, and Congress continued to respond with additional emergency spending bills to help producers cope with the sustained period of depressed commodity prices.

During this time, the House Agriculture Committee was not satisfied with simply passing disaster bills with no end in sight. The Chairman of the Committee took the lead in getting new ideas from farmers, ranchers, economists, and other policy experts concerned about U.S. agriculture.

Now, over two years and 40 hearings later, we are here to consider the House version of a new farm bill, H.R. 2646—the Farm Security Act.

The bill before the House today represents a bipartisan compromise, worked through the full committee process. The concepts of the bill were initially released as a draft for members and producers to comment on the proposal. Legislation was drafted, a two-day mark-up was held, and on August 2nd, the Farm Security Act was reported favorably by voice vote of the full House Agriculture Committee.

CONSERVATION

This bill responds to producers, consumers, and the American public as a whole. First, I would like to speak to an area that has recently been discussed at length: conservation.

As the Vice-Chairman of the subcommittee on Conservation, I am proud to support this bill. Originally, I introduced my own version of a conservation title, H.R. 1938—The Conservation Enhancement Act. I am pleased that many of the provisions of my bill are included in the Farm Security Act. The bill includes an 80 percent funding increase in conservation spending and gives the largest increase to a program for working lands that remain in production agriculture, the Environmental Quality Incentives Program (EQIP).

The EQIP program is instrumental in protecting watersheds, improving environmental practices, and addressing some of the most difficult environmental problems we face today. However, as we heard in hearings from producers and conservation groups, EQIP can't work if it doesn't have adequate funding or flexibility. This bill goes a long way to address both of those important issues.

For small producers, we heard that contracts were too long to be practical and that financial assistance was not made available until all the work, and costs, were already paid by the farmer. For farmers with extremely limited resources, the best intentions can not overcome economic realities of farming. In this bill, we address those issues by allowing costs to be reimbursed earlier and reducing the length of contracts to allow more small farmers to participate.

We also heard from livestock producers about their need to access technical assistance and other resources available to meet the demands of an increasingly regulated environment. This bill reserves 50 percent of the EQIP funds for livestock producers. If we truly want to fix the problems that exist today, we must allow livestock producers to access the programs that are designed to help address environmental problems.

In addition, the bill creates a water conservation program. While we often focus on water quality issues, for many parts of the

country, water conservation is the first step that must be taken to improve the environment.

There are many other provisions of the Conservation title, but I just want to touch on a couple of programs to help explain to my colleagues the sheer size of the work farmers and ranchers are doing today.

The Conservation Reserve Program is one of the most important programs at the United States Department of Agriculture, in terms of reducing water and wind erosion. According to the USDA, each acre of CRP reduces erosion by 19 tons per year. The program has also been extremely successful in enhancing wildlife habitat for many species. Under this bill, CRP is expanded to 39.2 million acres. 39.2 million acres is hard for most of us to conceive. My own yard is about 4 tenths of an acre, and for my lawnmower, that is plenty.

However, the amount of land under the protection of the Conservation Reserve Program is truly enormous. If CRP was a state, it would be the largest state East of the Mississippi. If the area covered by CRP ran along the eastern seaboard, it would entirely cover Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, and Delaware. For those of you out west, CRP is almost as big as the entire state of Washington.

The Committee bill also increases wetlands conservation by adding an additional 1.5 million acres to the Wetlands Reserve Program. This increase brings the total land in this program up to 2.5 million acres. The total amount of land protected under these two programs and removed from production agriculture is over 41 million acres—an area almost as large as the state of Oklahoma.

You will likely hear today that we need more conservation spending, and at times, it is hard to find a reason to say no, but within the Committee we worked hard to balance demands with the resources available. Conservation and the protection of the environment are important priorities, but they are not the only issues before the committee. There are nine titles in this bill, and each one represents an important part of our policies to help rural America.

FARM PROGRAMS

Finally, I would like to speak directly on the changes made to farm programs. Farmers and ranchers are experiencing difficult times, but they like several features of the current farm program.

The proposed farm bill retains the flexibility farmers need. The bill retains a market-oriented structure that allows farmers to decide what to plant. The bill also answers the single largest concern we heard from producers throughout the hearings of the last two years—the need for a counter cyclical program.

While no single consensus from all the producers was developed, the Committee heard, loud and clear, that some type of a counter cyclical assistance program was needed. When prices fall dramatically, there does need to be a safety net, and it should not take an act of Congress to kick in. This bill provides farmers with a simple, effective counter cyclical program.

Kansas net farm income dropped by 39.9 percent, last year. This is the fourth largest drop of net income from agriculture of any state in the nation. Clearly, this bill is needed.

Mr. Chairman, I urge all of my colleagues to support this bill. Conservation and farm pro-

grams are two of the largest titles of this farm bill, but there are 7 others and all 9 titles have been carefully crafted to address the concerns we heard from constituents across America during our committee hearings.

This is a balanced bill that continues important programs and create new ones to address emerging needs, while still remaining within budget constraints.

The bill is important for this nation's farmers and ranchers, it is important for all of us concerned about a clean environment, and it is important security and safety of this nation's food supply.

Mr. Chairman, with these points in mind, I urge all of my colleagues to support this bill.

Mr. BLUMENAUER. Mr. Chairman, the Farm Bill is an opportunity to help American farmers meet the challenges of a new century. We are the strongest farming nation in the world, with abundant food at reasonable prices and we export far more than we import. However, this comes at a very high price. Our environment, despite some impressive improvements, still suffers. The structure of our current farming industry uses too much water, generates too much pollution, and too much of our best agricultural land is lost due to sprawl, erosion, and misuse. Smaller farmers continue to be forced to sell while entry into the business is prohibitively expensive and difficult.

Perverse programs mean more farmers are dependent on ever-increasing subsidies. The complex web of loans, credits, quotas, and direct payments is expensive for Americans both as taxpayers and consumers. The support system tends to obscure financial impacts while it distorts decisions farmers make regarding type and quantity of crops, often to the detriment of the long-term productivity of the land and the health of the environment. At a time when we seek to open foreign markets to more American production, we are still sheltering ours in ways that violate the spirit, if not the letter, of our own trade agreements.

The United States has been able to survive and some farmers thrive under this system because we had seemingly inexhaustible supplies of fertile land, abundant water, tolerance for cutting environmental corners, and generous financial support. That world is changing. Our environmental standards are getting stronger. Due to the threats of sprawl, water pollution, pesticides, fertilizer, and the excesses of factory farms, the public will never tolerate backsliding. Environmental standards will only get stronger still.

Past practices and government policies have too often stressed our water supplies and the ecosystems that depend upon them. Water systems are depleted far beyond their ability to replenish supply. The inevitable result is more controversy and conflict between competing users. The sad plight of the Klamath Basin in the Pacific Northwest is one example of an emerging pattern all over the West, which will only get worse over time.

American agriculture and our public that depends on it can do better. We must begin now to shift from subsidies that encourage production of some crops, regardless of need, to the protection of land and the people who farm. Paying the farmer to be able to do the right thing is the most cost-effective solution. It is also the only solution that is sustainable for the environment and the taxpayer. Over the course of the next 10 years, we must implement this new vision of agriculture for the new

century. In the meantime, we must protect the farms and farmers who choose to take advantage of this opportunity.

Until we have a bill that makes this transition, I must withhold my support.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BURR of North Carolina) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, pursuant to House Resolution 248, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COMBEST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 291, nays 120, not voting 19, as follows:

[Roll No. 371]

YEAS—291

Abercrombie	Brady (TX)	Cubin
Ackerman	Brown (FL)	Cummings
Aderholt	Brown (SC)	Cunningham
Akin	Bryant	Davis (FL)
Allen	Burr	Davis (IL)
Andrews	Buyer	Davis, Jo Ann
Baca	Calvert	Deal
Baird	Camp	DeGette
Baldacci	Cannon	DeLauro
Ballenger	Cantor	Diaz-Balart
Barcina	Capito	Dicks
Bartlett	Capps	Dingell
Barton	Carson (IN)	Dooley
Becerra	Carson (OK)	Doyle
Bentsen	Chambliss	Edwards
Bereuter	Clay	Ehlers
Berkley	Clayton	Ehrlich
Berry	Clement	Emerson
Bilirakis	Clyburn	Engel
Bishop	Coble	English
Blagojevich	Collins	Etheridge
Blunt	Combest	Evans
Boehner	Condit	Everett
Bonilla	Cooksey	Farr
Bonior	Costello	Filner
Bono	Cramer	Fletcher
Boucher	Crenshaw	Foley
Boyd	Crowley	Forbes

