

AGRICULTURE, CONSERVATION,
AND RURAL ENHANCEMENT ACT
OF 2001—Resumed

Mr. DORGAN. Mr. President, the underlying farm bill is on the floor of the Senate. When you talk about economic recovery and economic stimulus, what can promote economic recovery better in this country than to help those on America's farms? Recovery, in my judgment, begins at the roots. It seems to me that what has always nourished America has rolled from the family farms to the small towns and big cities. Whether it is economic opportunity or economic progress, family values have always nourished our country.

Our farmers are in significant trouble. We have struggled and fought and scrapped and tried to get this bill to the floor of the Senate. We have the Secretary of Agriculture calling around saying don't do it. In fact, the Secretary of Agriculture pushed very hard to prevent the House from doing it, and Congressman COMBEST, who is of the other political party—God bless him—said: I am going to do it anyway. It needs to be done; it ought to be done now. And he did it, and ran a farm bill through the House. Good for him.

We are struggling to get a farm bill through the Senate. Senator HARKIN brought a farm bill from his committee, and it is now on the floor of the Senate.

Let me read from a letter of December 10 addressed to Senator DASCHLE and Senator LOTT. It says:

The undersigned farm, commodity and lender organizations write to thank you for your efforts to expedite the debate and consideration of a new farm bill in the United States Senate, and urge that the legislation be completed in a timely manner without delay. We believe it is vitally important that this legislation be enacted this year to provide an important economic stimulus to rural America before Congress adjourns.

We fully understand the policy differences exist regarding this important legislation, and would encourage a healthy debate on these issues. However, we are very concerned that the timeframe to pass this legislation is rapidly drawing to a close. We believe this will require the Senate to complete a thorough debate and achieve passage of the legislation by Wednesday evening, December 12th.

I will include in the RECORD a list of who is who in American agriculture. It is virtually every organization: American Farm Bureau, National Farmers Union, National Corn Growers, National Cotton Council. Virtually every organization that represents family farmers is asking this Senate to do the right thing, to consider this farm bill, move it along today, tomorrow, or the next day, and offer amendments to try to get it out of the Senate and get it into conference so we can put a bill on the desk of the President for signature.

My hope is that we can do that before we leave town. It is a struggle. It is not easy, but it is achievable.

I ask unanimous consent that the letters be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 10, 2001.

Hon. TOM DASCHLE,
Majority Leader, U.S. Senate,
Washington, DC.
Hon. TRENT LOTT,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR SENATORS DASCHLE AND LOTT: The undersigned farm, commodity and lender organizations write to thank you for your efforts to expedite the debate and consideration of a new farm bill in the United States Senate, and to urge that the legislation be completed in a timely manner without delay. We believe it is vitally important that this legislation be enacted this year to provide an important economic stimulus to rural America before Congress adjourns.

We fully understand that policy differences exist regarding this important legislation, and would encourage a healthy debate on these issues. However, we are very concerned that the timeframe to pass this legislation is rapidly drawing to a close. We believe this will require the Senate to complete a thorough debate and achieve passage of the legislation by Wednesday evening, December 12.

We urge you to allow members an opportunity to offer amendments that are relevant to the development of sound agricultural policy while opposing any amendments designed to delay passage of this important legislation by running out the clock prior to the adjournment of Congress.

New farm legislation must be enacted this year to stimulate and stabilize our rural economy that has been in an economic downturn for five years with no turn-around in sight. Unlike many sectors of the economy, production agriculture did not share in the economic growth of the last decade and has been devastated by depressed commodity prices, declining market opportunities and increasing costs.

It is critical to producers, farm lenders and rural communities that a new farm bill be approved this fall to provide the assurance necessary to plan for next year's crop production.

We encourage you and your colleagues in the Senate to complete action on a new farm bill as soon as possible to provide adequate time for a conference with the House of Representatives in order to ensure a final bill can be enacted this year.

Sincerely,

Agricultural Retailers Association.

Alabama Farmers Federation.

American Association of Crop Insurers.

American Bankers Association.

American Corn Growers Association.

American Farm Bureau Federation.

American Sheep Industry Association.

American Soybean Association.

American Sugar Alliance.

CoBank.

Farm Credit Council.

Independent Community Bankers Association.

National Association of Farmer Elected Committees.

National Association of Wheat Growers.

National Barley Growers Association.

National Cooperative Business Association.

National Corn Growers Association.

National Cotton Council.

National Farmers Organization.

National Farmers Union.

National Grain Sorghum Producers.

National Milk Producers Federation.

National Sunflower Association.

South East Dairy Farmers Association.

Southern Peanut Farmers Federation.

The American Beekeeping Federation.

U.S. Canola Association.

U.S. Dry Pea and Lentil Council.

U.S. Rice Producers Association.

United Egg Producers.
Western Peanut Growers Association.
Western United Dairymen.

The PRESIDING OFFICER. The Senator from Wyoming.

SENATE AGENDA

Mr. THOMAS. Mr. President, I would like to talk about a number of things.

First, we are talking about the farm bill, but we have taken many different directions in terms of the economic stimulus. It needs to be extended.

The President suggested a package. The Republicans did not have anything to say about the bill that came out of committee. It was totally Democrat.

We need to make some changes in order to get this done. This isn't about the House. The only talk has been about what the House has done. They can do what they choose. We ought to do what we think is right.

The President asked for an extension of unemployment benefits for 13 weeks for Americans who lost their jobs due to the terrorist attacks. I am sure some will agree with that. He asked for \$11 billion for the States to help low-income workers obtain health insurance for a certain period of time. I suppose everyone would agree with that to maintain that sort of help, wouldn't they?

Also, of course, in order to create some jobs, we have been talking about accelerated depreciation to encourage companies to go ahead and purchase material and purchase machinery to create jobs. That is really what it is all about. Partial expensing, tax relief for low- and moderate-income workers—these are things that are all in the package.

It isn't as if everyone has a different idea, but we ought to have a chance to talk about them. We ought to have a chance to bring up those things and to decide what the majority of this body would like. I am sorry, I do not quite understand how we got off into this: If the Democrats do not agree, then nothing should happen; if the Republicans do not agree, then nothing should happen. That is not the way we should operate. So I am hopeful we can do this. I indeed think we should.

We are going to have to make some decisions in terms of priorities. Obviously, there is not much time left, whether we get out this week or whether we stay until Christmas. In either case, there is not a lot of time.

We have three more appropriations bills in conference that have to be resolved. Those have to be done. We got through a tough appropriations bill last Friday by staying here until 12:30 on Friday night. We will have a tough one with Health and Human Services, I am sure. But those need to be done.

Then we need to make judgments whether we are going to have energy, whether we are going to have a farm bill, whether we are going to have the insurance package—a lot of things that people talk about having. The question

is, What is the priority for us at this time?

Quite frankly, I think the leadership has been a little slow in trying to set forth their priorities. There is no use listing 15 different things people would like to do. We are not going to do that, obviously.

Indeed, in many cases we perhaps are better off to take a little more time on these tough bills to really decide where we want to be in 10 or 15 years, such as in agriculture, as to what we want agriculture to look like over a period of time. What we do on this bill is going to have a great deal of impact on agriculture.

This bill will last for 6 years, but it will have an impact beyond that. Quite frankly, we have wrestled with this issue for quite some time. I have been involved in agriculture all my life in one way or another. We seem to kind of move in short spurts to take care of what the problem is here, what the problem is there; and, yes, you have to do that, of course. But the fact is, we ought to be looking at a policy that takes us down the road to where we want to be, where we have a safety net of some kind for agriculture, where agricultural production is needed in the marketplace, where there is a marketplace for agricultural production, where we do some of the kinds of things that will maintain open spaces and the conservation and land over time that we would like to have. Those are the kinds of long-term things that I think are very important.

So as we undertake farm bills, they need to be given a lot of thought. That did not happen in the committee, as a matter of fact. We only had a very short time to deal with it. And it became an issue for the chairman, the leadership, to get that bill out in 10 days, or a week or so. So we were talking about various numbers of titles. We would get the title of the proposal one night and try to vote on it the next morning. That isn't the way to do it. We did not have time to digest it, let alone have an opportunity to talk with the people at home in terms of how it would impact agriculture. And that really is part of it.

The bill that is before us now is, of course, the Harkin bill. I think we need to support a bill that will continue to move agriculture towards a market-oriented situation so that the emphasis and the incentives for agriculture are to produce those things the price would indicate are to be marketed.

There are programs in the past we have used with certain very high price supports that encouraged production in which there was no marketability. Everyone wants to have this underpinning support, of course, but then you have to be very careful as to what you do with that.

We need to place more emphasis on broader agriculture. Agriculture bills that started generally in the 1930s were oriented towards what are called the program crops. They are corn and soy-

beans and half a dozen crops, mostly in the Middle West. And now agriculture has changed to where you have all kinds of crops in all kinds of places.

So I think in the future, as we look to where we want to go, we have to find a program that deals with more people in agriculture for some kind of safety net security.

Some 40 percent of agricultural products goes into foreign trade. So we have to deal with the kind of trade arrangements that we have around the world, WTO particularly. We have to have a farm program that does not conflict there or allows other countries to put up obstacles to our foreign trade. So those are the kinds of issues that need to be considered.

We need to keep working lands in production. The idea of having a program that sets aside acres and acres of land in some kind of conservation reserve, where they are no longer productive, is not an economically sound policy to have over time. What we need to do is have a conservation program that impacts all of these acres and lets them continue to be useful, whether it is grass, whether it is trees, or whatever it turns out to be.

The bill before us generally takes us in the wrong direction, takes us back towards the agricultural programs of the 1930s during the Depression. It endorses higher loan rates which would encourage overproduction. Prices for U.S. products, that are almost out of reach for our markets around the world, will be even higher.

It has a commodity title that puts, because of our arrangements in world trade, our producers and industry at risk of retaliation. It threatens to exceed our so-called "amber box" obligations in WTO. They are watching every move we make to see if that is or is not the case. And it can impede us with the kinds of difficulties it brings.

The conservation title is really sort of a gimmick. It substantially boosts conservation spending in fiscal years 2002 to 2006 and then reduces it dramatically for the remainder of the time simply to make it fit into the budget. That isn't going to work over a period of time. That is a ballooning of expenditures early to make it acceptable, and then it does not continue until the bill expires.

So these are some of the issues with which we are faced. We can change those if we have an opportunity to have amendments, if we have an opportunity to consider a bill that will be proposed as an alternative that has some different ideas in it. We should have an opportunity to vote on that.

But with more and more environmental provisions that landowners and farmers and ranchers have to abide with—and, indeed, in some cases at least they should—then there needs to be assistance for that, assistance in the future to have the kind of technical help that is required, for instance, in nonpoint source water protection.

There are lots of things that have to be done to comply with EPA regula-

tions by landowners. They need help to do that. That is one of the things that ought to be done. We ought to be able to have a budget that goes out over time.

The Cochran-Roberts amendment will be a substitute that takes a little different direction, gives us an option, gives us a chance to do some things. The payments are considered to be WTO "green box" payments, so you can have support for agriculture without running into conflicts in terms of trade. It will not place our producers at risk for a challenge from other countries. It gives an opportunity to producers to obtain support through a farm savings account so they can continue to save with the help of Government contributions.

The conservation title has programs that keep working lands in production, and it extends it beyond the program crops. My State, of course, is largely a livestock State, so conservation that applies to grasslands, and those kinds of things, is equally as interesting.

There is a program called the Environmental Quality Incentives Program, QUIP, which provides technical assistance. That is a program that is quite important, I believe.

So we are going to have an opportunity to look at some of the options to see if we can do the things that I think are most important; that is, to have a plan over time that provides for the encouragement of production, production that will then be marketed, that provides for the conservation of all the lands, so when we are through with the land, we will see that we have open spaces and that we have an effort made through this program to develop more and more markets, whether they be overseas or whether they be domestic, and that it is fiscally responsible so that we have a budget for the entire length of the bill and one that is trade compliant.

I am certainly in favor of us having a bill. I don't think it makes a world of difference whether it is done in the next week or whether it is done in the early part of next year. The Budget Committee chairman from North Dakota continues to say we won't have the money next year. I don't see any reason why we don't have as much money in February as we do in December. There won't be a new budget by that time. Things will not have changed. If we could do a better job by having a little more time to work on it, I favor that. If we can get the job done in the short while and have the opportunity to make the changes, have the opportunity to examine the contents of the bill—which, frankly, most of us have not even had, and we are on the committee—then that is the need that we must have.

I look forward to us moving forward and accomplishing those things. I do hope that we do set our priorities on timing and do not move into this question of trying to do everything. That is always a problem at the end of a session. Everything that has not been

done up to that time, regardless of the reason it has not been done, suddenly becomes the most important action that could ever occur and has to be done in the last few days. We have had enough experience of knowing that many times those things don't turn out as well as they should.

I am hopeful we will deal with these things with as much time and knowledge and opportunity to participate as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

Mr. HARKIN. Mr. President, the bill before the Senate now is the committee-reported farm bill, a 5-year farm bill. It is a comprehensive bill providing major improvements to the farm commodity and income protection programs, conservation, rural economic development, trade, research, nutrition assistance, renewable energy, credit, and forestry.

The legislation is within our budget limitations for the new farm bill. We were allowed \$7.35 billion for fiscal year 2002, and \$73.5 billion for 10 years above baseline spending. The bill is fully within those limitations. I hope we can move forward and work our way through this bill. We are, of course, ready to consider amendments tomorrow and debate the issues and pass the bill, go to conference, and send it to the President. The sooner we can get the amendments debated here and voted on, the sooner we can get to conference.

There is a need to move ahead with this bill now. Farmers around the country need to know what the farm program will be for next year so they can make decisions, arrange their financing, their loans, line up their input and supplies for next year. It is important for farmers to get this legislation passed.

It is important for all of America to get this bill passed because, as has often been said, it all really does start on the farm. With food being such a critical commodity for our own people but also in our trade relations, it is necessary that we send clear signals that we are going to have a meaningful farm program for next year and the year beyond.

That is part of the reason. There is another reason why we have to move ahead. That is the area of conservation. Some of the critical conservation programs are out of money. The wetlands reserve program, the farmland protection program, and the wildlife habitat incentives program are out of money now. The longer we wait and delay on the farm bill in getting it to the President to get it signed, that means that more and more we will have a backlog of needs in all of those areas of conservation.

The environmental quality incentives program is underfunded and far short of resources that are needed. The bill before us would substantially increase funding for all of these important conservation programs. However, if we don't pass it soon, the USDA will not be able to carry out effective programs during the present fiscal year.

In addition, this bill will provide important and immediate help in the areas of rural economic development, trade, and research, as I mentioned. We need to move ahead without delay.

I will take the time now to discuss some of the principal features of the bill. In order to proceed to the bill, tomorrow I will be offering a substitute amendment that will include modifications to the dairy and conservation provisions of the legislation reported from the committee. That will be an amendment in the nature of a substitute. Hopefully, there won't be any objections to that, and then we will move ahead with amendments to that as the underlying bill on the floor.

First, title 1 on commodities, the bill continues direct payments but adds countercyclical contract payments to assure that in the years of low prices, producers will receive additional support. The bill establishes income protection prices for each of the contract commodities. If the price for the commodity plus the direct payment for the year falls below the income protection price, producers would receive a countercyclical payment to make up the difference. For the first 2 years, the direct payments would be generous enough that there will be no countercyclical payments. For the third, fourth, and fifth years, the direct payments will be lower but the difference would be made up by the countercyclical payments in those years.

Quite frankly, this was really the goal of the Freedom to Farm bill that was passed in 1996. That would be direct payments; that those payments would phase down at some point. As we saw because of low prices, world conditions, other conditions, the Congress had to come in year after year after year and pass emergency funding legislation for direct payments and to add to those direct payments.

What we should have had at the start was a countercyclical program so that in times when prices are good, you don't need all those direct payments. But when prices are low, that is when you need to come back in.

When Freedom to Farm first passed, there were farmers who, quite frankly, had a pretty darn good year and prices were high, but they got a direct payment anyway. That didn't seem to make very good economic sense or policy sense. So I understand that we can't pull the plug right now. We continue the direct payments. They start to go down, but in place we have the countercyclical payments that come in in case prices are low; we all hope prices stay high. But in case they do go down, we do have the countercyclical

program. We also attempt to have additional countercyclical support through the loan program.

Our bill raises loans for every commodity with one exception, extra long staple cotton, which was held constant, and for soybeans, which we reduce from \$5.26 a bushel to \$5.20 a bushel. Again, all of this was an attempt to balance loan rates so that one would not be encouraged to plant one crop over another to plant for the loan benefits.

For other crops, the loan programs have discouraged planting of some crops, such as barley, oats, dried peas, and lentils. Those crops received better treatment in this bill, including a loan rate boost for feed grains other than corn and a new loan program for dry peas, lentils, and chickpeas.

The bill gives producers the option of retaining their current contract acres and adding oilseeds or updating their contract acres and payment yields.

They will be given choice. Farmers can upgrade their base acres in yields or they can remain with the ones they have. Farmers who have taken advantage of flexibility to switch to other crops will not lose base acres. Those who are of fewer acres covered by the current production flexibility contract will be able to update those acres and their payment yields.

In the area of dairy, the bill includes supplemental income assistance payments for dairy farmers. That is a system of payments designed to assist providers in the northeast part of the country that will help compensate for them getting out of and off of the Northeast Dairy Compact. In addition, there is a national dairy payment program for the remainder of the country. I might add that earlier on in the day the Senator from New Mexico was talking about a national tax and a payment by dairy farmers. That is not in the substitute bill that I will be offering tomorrow. I hope those who looked at the earlier version will look at the substitute because that taxing provision is not included.

American sugar producers have been facing sugar prices at or near 22-year lows for most of the past 2 years.

Our committee bill reestablishes marketing allotments for sugar in an attempt to limit domestic production levels that, with imports, will not exceed the demand for sugar for human consumption. The bill also provides the Secretary with the tools she will need to bring sugar production in line with demand.

The committee bill makes a dramatic change in the program for peanut producers to bring it more in line with other commodity programs. The bill abolishes marketing quotas. That has been a staple of peanuts ever since I have been here—for the last 27 years. It establishes a new system of peanut base acres and payment yields. The new program creates a safety net for producers in the form of marketing loans, direct payments, and countercyclical supports. So basically, the