



United States
Department of
Agriculture

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Farm and Foreign
Agricultural
Services

Farm Service
Agency

Wisconsin State
FSA Office
8030 Excelsior Dr.
Suite 100
Madison, WI
53717-2906

PH 608-662-4422
FX 608-662-9425

To: Secretary Mike Johanns

From: Sandy Chalmers
Executive Officer

Re: Farm Bill Forum

Attached are written comments received from participants at the Wisconsin Farm Bill Forum on August 4, 2005.



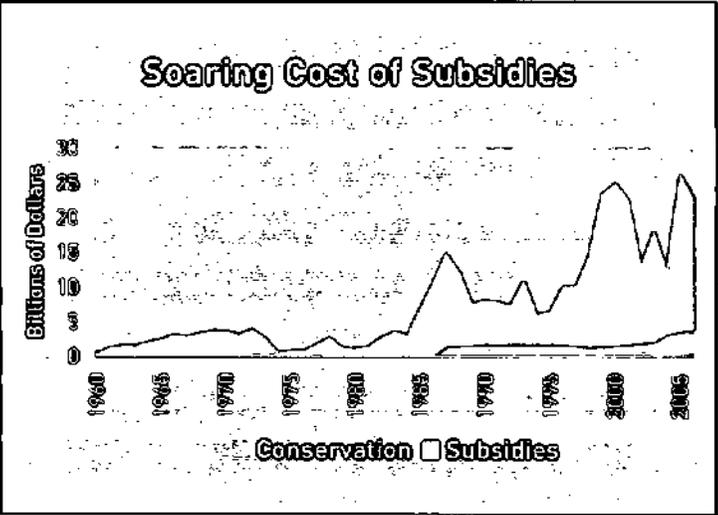
Wisconsin farmers can help fix America's farm policies

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ENVIRONMENTAL DEFENSE
finding the ways that work

America's farm policies could do much more to help farmers—and the environment. And the time is ripe for reform: many trends—including growing consumer demand for healthier food and trade negotiations over farm subsidies—make positive reforms not only possible, but inevitable.

Better farm policies can benefit more farmers
Created 80 years ago to help small farmers, subsidies today do little to help most American farmers, despite costing some \$20 billion a year. Two-thirds of America's farmers—and nine-out-of-ten minority farmers—are not even eligible for subsidies because of the crops they grow: that includes producers of fruits, vegetables and livestock.

In 2004, 80% of Wisconsin farmers who received commodity subsidies were paid an average of only \$1,877 for the entire year.

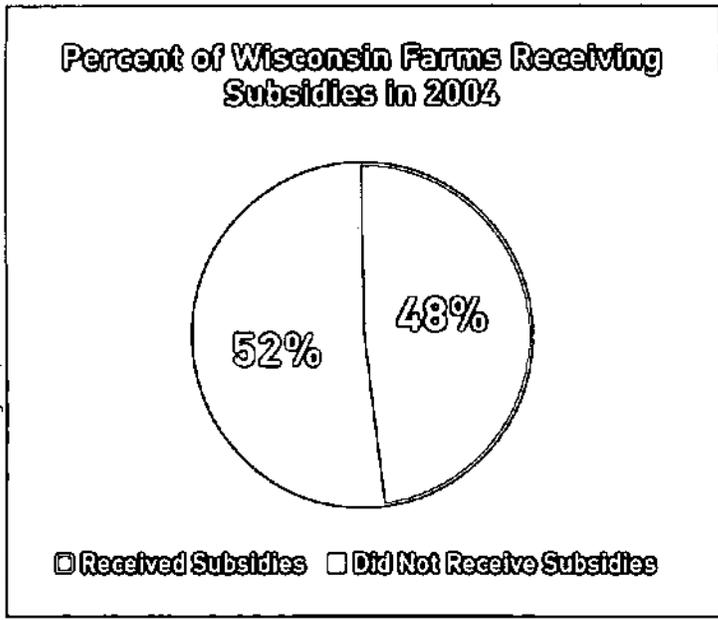


The cost of farm subsidies has grown from less than \$5 billion to more than \$25 billion dollars in less than two decades.

Geographic inequities are also glaring: Some states receive more than \$1 billion a year in subsidies, and 10 states collect more than half of all farm funds.

Farm subsidies are not linked to need but to the amount a farmer grows. In Wisconsin 48% of farmers receive commodity subsidies. The top 20% of subsidized farmers in Wisconsin collect 71% of all subsidies, typically receiving an average of \$12,683 apiece each year. A few thousand get over \$50,000. By contrast, 80% of subsidized Wisconsin farmers received an average of \$1,877 in 2004. What's more, our subsidies harm farmers at home and abroad by inviting higher tariffs on our exports and driving down crop prices in developing nations.

Many farmers aren't surviving this system. Despite federal farm spending of \$3.1 billion in the state between 1995 and 2003, the number of Wisconsin farms fell by 2,310; in many cases, farm subsidies helped large farmers outbid their neighbors for land. Farmers working to develop new products, meanwhile, including energy crops, or new markets, like direct sales to consumers, receive almost no help: less than one-tenth of one percent of farm spending supports such innovation.



Source: Environmental Working Group

USDA ERS & OBPA

Better farm policy can benefit consumers and the environment

Current farm subsidies provide little incentive for farmers to provide the healthy, affordable food consumers increasingly demand.

And current subsidies fail to support farmers' efforts to be good stewards of their land, instead encouraging them to plow up grasslands to grow row crops that use more water and more chemicals. Farmers have an enormous impact on the American landscape: they manage fully half of the nation's land. Last year, more than 200,000

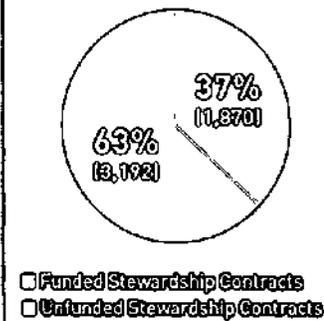


farmers offered to preserve open space and wildlife habitat, reduce pesticide use and improve the quality of our water and air. But three-out-of-four who sought conservation incentives were turned away, even as they came under

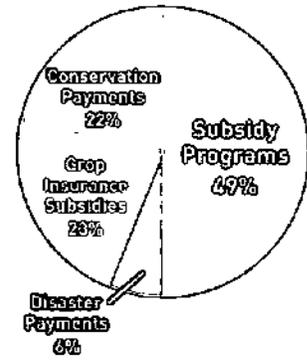


All photos courtesy USDA Natural Resources Conservation Service

Wisconsin farmers are turned away from conservation funding... (2004)



...while subsidies soak up funds



Source: NRECS, 2004

new regulatory pressures. Because row-crop subsidies soak up nearly 60% of all farm spending, farmers face a \$3 billion backlog when they seek conservation assistance. As a result, some of the nation's most pressing public health and environmental challenges go unmet.

Across the nation in 2004, more than 200,000 farmers offered to preserve open space and wildlife habitat, reduce pesticide use and improve the quality of our water and air. Only 37% of Wisconsin farmers who applied for conservation contracts received funding.

Reform farm policy to help farmers —and the environment

In the next two years, Congress will reauthorize federal farm programs and debate the international treaties that shape our farm subsidies, giving legislators an unprecedented opportunity to reshape farm policies to reward environmental stewardship, expand markets at home and abroad and reward economic innovation. Here's what they can do:

(1) Reward stewardship

Farm policy should reward farmers and ranchers when they take steps to improve air and water quality, provide habitat for wildlife, or serve as the frontline against sprawl.

(2) Help farmers remain profitable

Farm subsidy programs should reward economic innovation, rather than economic dependence, and should help all farmers remain profitable.

(3) Help farmers develop new markets

Farm policy should provide incentives for farmers to create new products and new markets.

(4) Enhance rural communities

Farm policy should create jobs and improve the environment in rural communities.

(5) Help farmers provide healthy food

Farm policy should reward farmers when they take steps to provide healthier and more affordable food.

For more information, please contact:

Tom Threlk **o** (408) 255-2456 **o** threlk12@yahoo.com