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"Ag Notes"

**A SUMMARY OF NEWS, EVENTS AND FACTS FROM THE
U.S. DEPARTMENT OF AGRICULTURE**

News You Can Use...



Click on the farm policy icon on the USDA homepage for the latest farm bill and farm policy news.

Full text of Cochran-Roberts farm bill can be found in the Dec. 18, 2001 Congressional Record on page S 13507. Go to: www.thomas.gov

Signup for 2000 crop and quality loss disaster payments ends on Jan. 18, 2002 at Farm Service Agency Offices. Losses must stem from natural disasters. Crop loss payments trigger on losses exceeding 35% of historic yields; quality loss payments trigger if the 2000 crop suffered more than 20% loss in quality.

Veneman takes on EU food & farm policies

In a speech to farmers, academicians, and industry leaders at the 66th annual Oxford Farming Conference in Oxford, England, U.S. Agriculture Secretary Ann M. Veneman stressed the importance of the WTO negotiations to agriculture and reiterated U.S. objectives for the new round. She criticized European Union's continued use of massive export subsidies and embrace of the so-called "precautionary principle."

"European Union export subsidies are \$4.8 billion, accounting for over 90 percent of spending by all countries on export subsidies," said Veneman. "We want farmers and ranchers to be able to compete in global markets on a level playing field," Veneman said.

To an audience devoted to studying key developments that affect agriculture, the Secretary warned that "the new environment is so vastly different from the relatively insular, commodity-based agriculture of the past, policies and institutions clearly must adapt. What we cannot do is ignore the changes."

For those reasons the Secretary took issue with Europe's use of the 'precautionary principle', which she said, (cont. next page)

USDA Will Await Congressional Action Before Determining 2002 Loan Rates

USDA announced it will wait for final Congressional action on the Farm Bill before determining annual loan rates for the 2002 crops. Secretary Veneman said, "We feel it is prudent and responsible to wait to announce loan rates until the intent of the Congress becomes more clear through the farm bill process in order to avoid confusion for farmers."

The House of Representatives has passed HR 2646, which is applicable to the 2002 crops. The Senate is expected to resume consideration of a farm bill upon its return later this month. Timely completion of a Senate bill and a subsequent conference committee are

likely to produce new authorities applicable to the spring planted crops. That legislation would specify loan rates for the 2002 crops.

Veneman urged the Senate upon their return to work in a bipartisan manner to complete a farm bill, "that is fair, responsible and helps a broader range of producers so we can implement farm program details."

If it appears the Congress will not be able to complete a farm bill in time for this year's crops, then USDA will make the determinations and announcement. The 1996 Federal Agriculture Improvement and Reform Act 1996 provides no statutory deadline for loan rate determination. Announcements in previous years have varied from as early as December 18 to as late as April 23.

In Case You Missed It...

In response to a New York Times editorial entitled "A Threat to Meat Inspection", Elsa Murano, Under Secretary for Food Safety clarified in a Jan. 2 letter to the Editor: that "the ruling by the Fifth Circuit court of Appeals doesn't prevent the Agriculture Department from closing plants that fail to control pathogens in meat and poultry. Meat and poultry companies operate under the department's strict sanitation and science-based systems. If the department determines that a plant fails to meet these standards, the plant will be closed..." A copy of the letter, along with fact sheets on the topic are at: www.usda.gov.

Oxford Farming Conference continued—

"seems to rest on the premise of the mere existence of theoretical risk." Under the guise of food safety concerns, the EU has banned introduction of any new biotech crop varieties since 1998.

Veneman said reliance on the precautionary principle "could deny benefits of new technology to developing countries and stymie progress in our efforts to feed a growing global population and eradicate age-old diseases. "Policy-makers have a responsibility to consumers and producers to see that food safety is common ground not a battleground," the Secretary said.

For the full text of Veneman's remarks, which also includes more information on trade, farm policy, biotechnology, and homeland security, visit: www.usda.gov

China to Import more wheat, soybeans according to new USDA study

China's imports of wheat, soybeans, vegetable oils, and cotton are expected to rise in the years after accession to the WTO as new pressures from external competition and internal shifts in consumer preferences reshape the industry, according to a new report released by USDA's Economic Research Service. The study, *China: Agriculture in Transition*, focuses on the long-term expectations for China's agriculture in the face of continued growth and openness to trade.

The report says that China's demand for soybeans to feed its emerging livestock and edible oils industries will continue to grow. Soybean imports are

expected to top a record 13.2 million tons in 2000/01.

China's livestock sector is expected to play a key role in reshaping China's agriculture in the coming years and it is competitive in terms of production costs but sanitary issues limit export opportunities. The expanding scale of the sector and the shift from backyard to modern feeding operations will expand the demand for feed ingredients, including grains and protein meals.

For a complete copy of the report, visit www.ers.usda.gov

What's Ahead --

- January 6, Secretary Veneman speaks to Harvard Business School Agribusiness Senior Management Seminar, Boston, Massachusetts.
- January 16, Secretary Veneman addresses 2002 Annual Wheat Industry Conference, Orlando, Florida.
- January 17, Secretary Veneman commemorates Centennial Anniversary of 4-H, Washington, D.C.
- **REMI NDER** February 21-22, USDA's Agricultural Outlook Forum will be held at the Crystal Gateway Marriott Hotel in Washington DC. Registration and information on speakers and schedule of events is now available. Click on the AG FORUM icon on the USDA homepage.