

# "Ag Notes"

A SUMMARY OF NEWS, EVENTS AND FACTS FROM USDA



## Bush tax policies benefit American farmers –

Farmers and ranchers saved \$1.2 billion on last year's income taxes and are expected to save nearly \$20 billion over the next 10 years, Agriculture Secretary Ann M. Veneman told farm broadcasters on "tax day" April 15 due to the tax policies instituted by the Bush Administration.

In a review of tax changes and economic stimulus initiatives enacted by President Bush during his first 15 months in office, Veneman said, "For farmers and ranchers, the President's strong leadership helps farm income on two fronts. By spurring the U.S. economy and bolstering consumer confidence and household income, the demand for farm products will increase. At the same time, tax reductions directly reduce the amount farmers will owe the government, giving them more expendable income to invest in other areas."

Provisions particularly important to farmers include estate tax changes that increase the dollar amount of property exempt from tax from the current \$675,000 to \$3.5 million by 2010. "We now expect about one in 10 farm estates will be required to file a return in 2002 compared to one in six farm estates prior to the law's enactment." By 2006 the number will decline to only one in 25. Veneman said farmers and ranchers would save about \$3 billion in federal estate taxes over the next decade.  
*(More on page 2)*

## Veneman says Farm Bill Action has Reached "Critical Stage"

Agriculture Secretary Ann M. Veneman told farm broadcasters on Monday that farm bill negotiations are entering a critical period. Repeating a message she delivered to the annual Sparks Companies policy conference last week, she told the radio audience, "if USDA is going to implement a new farm bill for this crop year, agreement needs to be reached very soon."

Veneman applauded efforts to reach consensus, saying, "Chairman Combest is working very hard to bring the conferees together and resolve differences on outstanding issues."

The Secretary also said the administration continues to work with conferees as they are trying to resolve the differences, and, "we are hopeful that more progress will be made in the coming days. As I said last week, we have reached a critical state in the farm bill process."

Last week at the Sparks event, the Secretary reiterated the Administration's principles for new legislation saying the farm bill should provide a strong safety net for farmers, adhere to the \$73.5 billion budget agreement, complement trade agreements, provide new risk management tools, and increase spending for conservation programs.

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Agriculture Secretary Ann M. Veneman (center) along with Deputy Secretary James R. Moseley (L) presenting awards to honorees at the Centennial Assembly of the National 4-H Conference. 4/9

## USDA to Purchase Catfish Products for Nutrition Programs

Secretary Veneman announced this week that USDA will purchase \$6 million in catfish products for distribution through federal nutrition programs. "Catfish producers have faced difficult economic times in recent years and this purchase will provide some assistance for producers," Veneman said in announcing the purchase. Arkansas Senator Tim Hutchinson praised the decision saying, "it will provide much needed relief to our aquaculture industry."

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## Quotables...

### **President Bush on the expiration of tax benefits in 2011—**

"It's going to be hard to plan your future. (Congress) needs to make these tax cuts permanent, for the good of the working people in America, for the good of families, for the good of small businesses, for the good of farmers and ranchers, we need to make the relief plan permanent in the tax code..." Cedar Rapids, Iowa 4/15

### **Secretary Veneman on the Canadian Wheat Board—**

"The Dakota Pasta Growers are taking in Canadian members. The CWB is insisting that even the members of that cooperative have to sell their wheat through CWB and back into the cooperative. So now we are starting to see practical problems and I have hoped that this would bring people to their senses about the CWB. There really needs to be a reassessment of the CWB and policy around it." Sparks conference 4/11

"With the 2002 wildfire season lurking its dreadful head around the corner, the folks over at the Departments of the Interior and Agriculture deserve real praise for establishing an institutional decision-making structure that's likely to produce a more coherent and consistent wildland fire policy across jurisdictional lines," Colorado Rep. Scott McInnis on creation of an inter-agency Wildland Fire Leadership Council  
**The Denver Post 4/11**

## FARMER TAX BENEFITS REVIEWED (continued)

Other benefits include the new 10 percent income tax bracket for the first \$12,000 of taxable income on a joint account and reduction of the marginal income tax rates for other tax brackets.

Chief Economist, Keith Collins, who joined Secretary Veneman in a tax day event with farm broadcasters, said the new lower bracket will help beginning farmers and ranchers who often start out with low incomes "because they are getting off the ground. They're going to have high expenses."

Collins also cited the expensing provisions in the economic stimulus bill signed by the President in March as beneficial to start up operations. "That depreciation and expensing provisions for new equipment will help because beginning farmers are going to be buying new equipment or used equipment and I think the opportunity for them to depreciate that faster and get a quicker tax write-off while they're trying to get started is also helpful."

## RUSSIA LIFTS POULTRY BAN

Russian officials agreed to lift the ban on imports of U.S. poultry effective April 15 because they were satisfied that U.S. food safety systems met the protocol established March 31.

A statement issued by Agriculture Secretary Ann M. Veneman, Commerce Secretary Donald L. Evans and U.S. Trade Representative Robert B. Zoellick over the weekend said, "We are pleased that Russia has met its commitment to the March 31 protocol and will lift its ban on U.S. poultry and poultry products.

"The March 31 agreement established a framework for closer cooperation between our two countries. The action today is an example of how trade disputes should be resolved in a reasoned and sound approach based on science, and we look forward to a continued positive trading relationship with Russia."

## SECRETARIES NORTON & VENEMAN ANNOUNCE NEW WILDLAND FIRE LEADERSHIP COUNCIL

Secretary Veneman and Interior Department Secretary Gale Norton formed the Interagency Wildland Fire Leadership Council on April 10 to further implement the National Fire Plan. USDA oversees the national forests while DOI is responsible for national parks and other public lands.

"The objective of this council is to provide a coordinated seamless management structure to all aspects of wildland fire policy," Veneman said. "It continues our efforts to effectively cooperate with our partners at the federal, state and local levels."

"This agreement formalizes the efforts already underway at Agriculture and Interior to coordinate our wildland fire management strategies and to ensure implementation of the National Fire Plan," Norton said. "Drought conditions are an indication that we could have an active season," she said.