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# "Ag Notes"

**A SUMMARY OF NEWS, EVENTS AND FACTS FROM USDA**



*President George W. Bush addresses an audience of about 2,500 people at the Iowa State Fairgrounds near Des Moines, 8/14.*

## **VENEMAN EXTENDS EMERGENCY GRAZING**

This week Secretary Veneman announced the extension of emergency grazing on Conservation Reserve Program (CRP) acres through November 30, 2002. She also announced USDA will waive rental reduction fees to encourage donation of hay to producers in immediate need. "This extension will provide additional feed and forage to producers who have lost their hay stocks and grazing lands due to recent disasters," Veneman said in making the announcement.

## **USDA PROVIDES \$100 MILLION TO AID MINORITY & SMALL FARMERS**

Continuing efforts to assist small and minority farmers, Secretary Veneman transferred \$100 million from USDA's guaranteed operating loan program to its direct operating loan program. This transfer will especially help minority and small farmers who receive direct operating loans through USDA programs.

In Texas and Iowa—

## **BUSH UNDERSCORES VALUE OF FARM TRADE--**

President George W. Bush discussed the importance of trade at his Economic Forum in Waco, Texas on Tuesday and again at the Iowa State Fair on Wednesday. Agriculture Secretary Veneman and Trade Representative Robert Zoellick participated in the forum and joined other Bush Administration officials and about 250 farmers, business owners, workers and entrepreneurs, in discussing the U.S. economy and the President's agenda to continue expanding growth and jobs for families.

The President said, "I'm confident in the American entrepreneurs, I'm confident in our high tech industry, I'm confident in our farmers and ranchers. I'm confident that when we compete, we're the best in the world, and therefore I want to trade."

The following day under clear blue Iowa skies, the President tackled concerns about trade head-on: "I've heard the excuses. They say trade is going to cost jobs. I just don't believe that. I believe when you're the best in the world you ought not to limit capacity, but expand capacity. And one place we're the best in the world is growing things. And we ought to be opening markets for Iowa farmers all over the world." The President said Ambassador Robert Zoellick and Secretary Veneman "are going to work hand in hand to make sure agriculture is the cornerstone of good international trade policy, and it needs to be."

## **\$125 MILLION PROVIDED TO STRENGTHEN ECONOMIC DEVELOPMENT FOR ILLINOIS, IOWA RURAL AREAS**

Secretary Veneman continued to discuss the President's economic agenda on Tuesday by traveling to Illinois for a town hall meeting with farmers and a tour of an ethanol facility with Congressman John Shimkus. There, the Secretary announced \$100 million in economic development projects for rural communities in Illinois. "Rural communities are an important part of our nation's economic strength and these investments should help families in these areas," said Veneman. Prior to joining the President in Iowa, she also announced \$25 million in similar projects in that state.

Secretary Veneman also toured a pilot ethanol facility at Southern Illinois University, which USDA has provided more than \$15 million to construct. "Ethanol is an example of how value-added agriculture is bringing more economic opportunities for producers and more jobs for rural communities. Congressman Shimkus has provided a great deal of leadership in these areas, particularly in the development of this ethanol plant, which will be of great benefit to Illinois."

Iowa also received rural development loans and grants this week of \$25.1 million. "These funds will provide a tremendous boost for rural communities in Iowa by helping build new water, childcare and ethanol facilities, as well as other business operations," said Veneman.

## **VENEMAN DECLARES AGRICULTURAL DISASTER AREAS IN SEVEN STATES**

Continuing aggressive efforts to expedite emergency disaster declarations in areas hit hard by adverse weather, Secretary Veneman designated specific counties Georgia, Kansas, Minnesota, Nebraska, Pennsylvania, South Dakota and Virginia and contiguous counties as agricultural disaster areas making farmers and ranchers immediately eligible for USDA emergency farm loans.  
(8/13 – 8/16/02)



*Secretary Veneman joins J.B. Penn, Hunt Shipman and Keith Collins to discuss the President's Economic Forum, Farm Bill implementation, trade and other agriculture issues from USDA Television Studios, 8/12.*

## **ADDITIONAL HOMELAND SECURITY FUNDS PROVIDED**

Secretary Veneman announced that USDA is distributing \$1 million through cooperative agreements to bolster food and agriculture homeland security protections on tribal lands. "States and local communities and their tribal land counterparts, along with academia and the private sector, are critical partners in making sure we are prepared in the event of an emergency," she said. 8/12/02

**USDA IS AN EQUAL  
OPPORTUNITY PROVIDER  
AND EMPLOYER**

## **VENEMAN ANNOUNCES FARM PROGRAM SIGNUP; DROUGHT ASSISTANCE—**

Farm bill implementation made significant headway this week. Agriculture Secretary Ann M. Veneman announced that program crop producers can sign up for direct and countercyclical payments on Oct. 1. Payments will be made a short time thereafter.

"Aggressive implementation of the 2002 Farm bill continues to be a high priority at USDA so that farmers and ranchers receive program benefits as soon as possible," said Veneman. "The announcement today is a major milestone and comes less than three months after the bill was signed by President Bush."

Separately, the Secretary announced that \$150 million in supplemental feed is being made available to farmers and ranchers operating cow-calf operations in areas most severely stricken by drought. States initially eligible include Colorado, Nebraska, South Dakota and Wyoming where at least 75% of the pasture and range crop is rated as poor or very poor.

The Secretary also reiterated that the Bush Administration would support emergency assistance for drought-stricken producers and pledged to work with the Congress upon return from recess to complete legislation. However she added, "when Congress considers additional drought relief upon their return from recess, they must ensure that it is fiscally responsible and doesn't raise taxes, increase the budget deficit or utilize Social Security funds."

"We are committed to utilizing all resources available to help farm and ranch families, particularly minority and small producers who need assistance," said Veneman. "This transfer of funds will make low-interest loans available for an estimated 2,000 additional farmers and ranchers across America."

## **USDA REPORT CONCLUDES ETHANOL IS ENERGY EFFICIENT**

Secretary Veneman released a new study last week confirming the energy efficiency of ethanol and its positive role in reducing U.S. dependence on imported oil.

"This new research shows that ethanol is a valuable energy source and this report supports President Bush's energy policies which call for additional renewable sources of energy," she said.

The report, "The Energy Balance of Corn Ethanol: An Update," published by USDA's Office of the Chief Economist, concludes that ethanol production is energy efficient because it yields 34 percent more energy than is used in growing and harvesting the corn and distilling it into ethanol. It also concludes that the net energy value of corn ethanol has become positive in recent years due to technological advances in ethanol conversion and increased efficiency in farm production.

"Ethanol produces much more energy than it consumes when compared to other products such as petroleum," Veneman continued. "It is important that we continue to promote new value-added sources for agricultural products. Ethanol is certainly one of those value-added products that is helping farmers gain more return from their investment."

A copy of the report is available on the Web at <http://www.usda.gov/occe>.

## PRESIDENT SIGNS TRADE ACT OF 2002

Marking a major policy victory for his Administration, President Bush on Tuesday signed the Trade Act of 2002 into law, which for the first time since 1994 gives the President Trade Promotion Authority (TPA), an important tool to effectively negotiate new trade agreements.

In his remarks, the President emphasized the importance of TPA to the food and agriculture sector saying, "Trade is an important source of earnings for our farmers and our factories...and now, after eight years, America is back in the business of promoting open trade to build our prosperity and to spur economic growth."

The President said that exports accounted for roughly 25% of all U.S. economic growth in the 1990's and that two major trade agreements – NAFTA and the Uruguay Round – have created more choices and lower prices for consumers. The President committed to build on that record of success and push for more access to markets for American farm and food products. "A completely free global market for agricultural products, for example, would result in gains of as much as \$13 billion a year for American farmers and consumers," he said.

Trade Promotion Authority "gives the United States an important tool to break down trade barriers with all countries," said the President. And he committed to move quickly to build free trade relations with nations such as Chile, Singapore, Morocco and Australia. The U.S. will also negotiate a Free Trade of the Americas, and pursue regional trade agreements with the nations of Central America and the Southern Africa Customs Union.

Veneman added, "this is good news for U.S. farmers and ranchers and for American consumers. With full authority to negotiate solid trade deals, the President will now have a strong tool to ensure that U.S. farmers and ranchers have expanded access to markets around the world."

## VENEMAN ANNOUNCES DAIRY PROGRAM SIGN-UP IN CONNECTICUT—

Secretary Veneman last week announced that sign-up for the new dairy program contained in the 2002 Farm Bill would begin on August 13. The Secretary urged dairy farmers to contact their local Farm Services Agency office to provide the appropriate information so payments can be distributed under the new program. Veneman made the announcement while touring farm operations and holding constituent meetings with Representatives Rob Simmons and Nancy Johnson.

The Secretary conducted three town hall forums, toured an aquaculture cooperative and a dairy farm, and announced more than \$6 million for conservation programs and rural development projects. "It is a pleasure to join Representatives Johnson and Simmons. They understand the critical issues associated with agriculture, the environment and rural communities."

In addition, the Secretary announced more than \$760,000 for Connecticut to improve soil, water and air quality on working farmlands. The funding is part of USDA's Environmental Quality Incentives Program (EQIP) and will provide financial and technical assistance to farmers and ranchers for conservation practices that improve soil, water and air quality, wildlife habitat and surface and ground water conservation on eligible agricultural land.



*President Bush signs the Trade Act of 2002 in the East Room Tuesday, Aug. 6. "With trade promotion authority, the trade agreements I negotiate will have an up-or-down vote in Congress, giving other countries the confidence to negotiate with us," the President said.*

## WTO QUOTABLES ON US TRADE PROPOSAL--

*"This proposal would be a tremendous boost to our agricultural producers, who need more and better opportunities to compete in foreign markets." Senator Chuck Hagel (R-Nebraska)*

*"I am pleased with the leadership the Administration has demonstrated by introducing a bold plan for the upcoming round of agricultural negotiations." Rep. Cal Dooley (D-CA)*

*"This forward-looking proposal gives the U.S. the opportunity to lead in the all-important WTO negotiations that are underway now in Geneva." Senator Chuck Grassley (R-Iowa)*



*Secretary Veneman presents a check to Mayor David Mischke of Plymouth, Conn. as State Rural Development Director David Tuttle and Rep. Nancy Johnson (R-Conn.) look on.*