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## **NFU rejects ag budget cuts, calls for role in cap-&-trade system**

**By Jon H. Harsch**

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Meeting with reporters Friday, National Farmers Union (NFU) President Roger Johnson said he was surprised that President Obama's 2010 budget proposal yesterday repeated the discredited idea of banning farm program payments to producers with over \$500,000 in sales. He said basing a cap on adjusted gross income, rather than sales, might make sense. He pointed out that a farm with \$500,000 in sales might very well have \$600,000 in expenses and yet lose program payments.

Johnson said that not just in the case of payments but overall, he expects that Congress, like NFU, will resist any administration efforts to change last year's Farm Bill. He said while federal budget cuts may be needed, agriculture programs have already been cut back significantly and so shouldn't be cut back further. In response to the administration's proposal to phase out USDA's Market Access Program (MAP) and cut back drastically on federal subsidies for crop insurance, he said at the very least Congress should hold "in-depth oversight hearings" to consider the consequences of cutting such important programs. He pointed out that "MAP has helped a lot of small food companies" increase their exports and that "crop insurance took deep cuts in the Farm Bill already."

On the key issue of the cap-and-trade legislation now being debated on Capitol Hill, Johnson sent a letter to House Energy and Commerce Committee Chairman Henry Waxman (D-CA) yesterday reiterating NFU's support for a mandatory cap-and-trade program and urging Waxman to make sure the final legislation recognizes the interests of farmers and ranchers.

Johnson's letter reminded Waxman that "Even before climate change legislation was introduced in Congress, NFU emerged as the leading voice for how agriculture can play a significant role in combating global climate change and supported a mandatory cap-and-trade program. As the debate moves through Congress, it is vital for agriculture to have a seat at the table." NFU points out that "America's agricultural producers can perform activities that provide significant contributions in the fight against climate change, including carbon capture and sequestration through no-till planting, native rangeland management, seeding grass, and methane capture, among others."

“In moving forward with climate change legislation, it is necessary to ensure that there is a mechanism to offset the increased costs associated with a cap and trade system,” Johnson said. “The draft legislation in its current form has taken the first step by not subjecting agriculture to an emissions cap, but the committee must also establish a robust and flexible agriculture offset program.”

Johnson called on Waxman to ensure several provisions are addressed as Congress moves forward with the legislation:

- “The U.S. Department of Agriculture (USDA) is granted control and administration of the agriculture offset program;” [rather than EPA],
- “Early actors are recognized;”
- “No artificial cap is placed on domestic offsets;”
- “Carbon sequestration rates are based on science; and,”
- “Producers are permitted to stack environmental benefit credits.”

“America’s farmers and ranchers stand ready, willing and able to assist in the fight against climate change, and NFU stands ready to help Congress accomplish one of the most significant policy challenges facing our nation today,” Johnson said.