the United States. I have seen several examples in Alabama and in the congressional district I represent, the Fourth District of Alabama.

One such example is in the northeastern part of the fourth congressional district in DeKalb County. A family there heard a firefighter tell of a need that was so simple, that many may not have even thought about it, the need for clean, dry socks. It should be noted that this area of the district is the ''sock capital'' of the world.

After a few phone calls to numerous sock mills in the Fort Payne area, those in Alabama's hosiery industry were there to help, offering socks made in America, from American materials, finished in America, packaged in America and, most importantly, for American heroes in their time of need.

The hosiery industry in Fort Payne and DeKalb County was presented with a need and answered the call within 24 hours. More than 5,000 pairs of socks were delivered to both New York City and the Pentagon.

I want to express my thanks for the actions of the people of the Fort Payne area and the thousands of other families in Alabama's Fourth District who work in these sock mills. I am proud to represent this community, Fort Payne, even though it may not have been in the headlines of the New York Times, they stood up in an important way to help their fellow Americans.

GENERAL LEAVE

Mr. COMBEST. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on H.R. 2646.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Texas?

There was no objection.

FARM SECURITY ACT OF 2001

The SPEAKER pro tempore. Pursuant to House Resolution 248 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2646.

□ 1026

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, with Mr. HASTINGS of Washington (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, October 3, 2001, Amendment Number 52, printed in the CONGRESSIONAL RECORD, by the gentleman from Michigan (Mr. SMITH) had been disposed of and the amendment in the nature of a substitute was open to amendment at any point.

Are there further amendments?

AMENDMENT NO. 61 OFFERED BY MR. TIERNEY

Mr. TIERNEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 61 offered by Mr. TIERNEY:

At the end of the bill, insert the following new section:

SEC. 932. REPORT REGARDING GENETICALLY ENGINEERED FOODS.

(a) IN GENERAL.—Not later than one year after funds are made available to carry out this section, the Secretary of Agriculture, acting through the National Academy of Sciences, shall complete and transmit to Congress a report that includes recommendations for the following:

(1) DATA AND TESTS.—The type of data and tests that are needed to sufficiently assess and evaluate human health risks from the consumption of genetically engineered foods.

(2) MONITORING SYSTEM.—The type of Federal monitoring system that should be created to assess any future human health consequences from long-term consumption of genetically engineered foods.

(3) REGULATIONS.—A Federal regulatory structure to approve genetically engineered foods that are safe for human consumption.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of Agriculture $500,000 to carry out this section.

Mr. TIERNEY. Mr. Chairman, the safety of our food supply is one of our Nation's top priorities obviously, but increasingly, Americans are becoming concerned about the genetically engineered ingredients that are in their food. Because of that concern, I have introduced this reasonable amendment that provides for a National Academy of Sciences study to examine three important health-related aspects of genetically engineered foods.

First, that the tests being performed on genetically engineered foods to ensure their health safety are adequate and relevant.

Second, what type of monitoring system is needed to assess future health consequences from genetically engineered foods.

And third, what type of regulatory structure should be in place to approve genetically engineered foods for humans to eat.

Genetically engineered crops can be found in many of the foods we eat every day. Potato chips, soda, baby food, they all contain genetically engineered ingredients. Last year, many Americans became aware of the pervasiveness of these ingredients in our food when Starlink corn that was genetically engineered wound up in human food, and not just the animal feed for which it was approved.

We need to address this issue before we have more unexpected incidents like this.

Mr. Chairman, this issue is not going to be resolved on its own. Several States, including my home State of Massachusetts, are considering legislation that would impose a moratorium on the planting of genetically engineered crops. In the meantime, the number of genetically engineered crops planted by farmers is continuing to grow.

In the year 2000, more than 100 million acres of land around the world were planted with genetically engineered crops. This is 25 times as much as was planted just 4 years before. If we do not make an effort to ensure the best testing, monitoring and regulatory structures are in place now, our farmers are going to suffer the consequences of any future lack of public confidence in genetically engineered foods.

This effort has been endorsed by the Center for Science in the Public Interest, an organization devoted to improving the safety and nutritional quality of our food supply, and I urge all of my colleagues to join me in supporting this common sense amendment to protect our farmers and our families.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. TIERNEY. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman's offering the amendment, and I know that this is of great concern. I wanted to mention that numerous studies have been undertaken by private scientific societies, public universities, regulatory agencies and the National Academy of Sciences, which have addressed and dismissed this question.

While the initial reaction to this amendment may be to question the duplicative nature of yet another study, I recognize there is value in continued education, evaluation of the ability to oversee the application of new technologies to our food production and processing systems, and I would like to indicate to the gentleman from Massachusetts that the committee would be happy to accept the amendment.

□ 1030

Mr. TIERNEY. I thank the chairman.

Mr. SMITH of Michigan. Mr. Chairman, I move to strike the last word.

It is generally agreed that the 21st century brings with it a new era of biological sciences, with the advances in molecular biology and biotechnology that promises longer, healthier lives and the effective control, perhaps elimination of a host of acute and chronic diseases. Right now we have the best safeguards in the world in testing any new food product.

The biotechnological development of new plants that is achieved through this new technology is more safe (according to witnesses testifying at five hearings I have had now in my Subcommittee on Research) more safe than the traditional cross-breeding or hybrid breeding of plants. Most everything that we eat now, and buy at the grocery store, has been genetically modified. The genetic modification has

been accomplished by crossing one plant with another. With maybe 25 to 30,000 genes in a typical plant crossed with another plant, not knowing what the end result is going to be is potentially more dangerous than using the new technology.

With the new biotechnology, we have the ability to identify particular genes and the folding of proteins related to those genes to help assure that the resulting product is going to be safe. In addition to that, we have the best regulatory safeguards anywhere in the world, with USDA, with the Food and Drug Administration, and the Environmental Protection Agency all looking into safeguarding these new plant and food products.

I would hope we would not support any suggestion that is going to reduce the scientific effort to achieve the kind of new food and feed products that we need in this country and that have the potential of being helpful to third world countries and a hungry world. The kind of food products that could, for example, grow in the arid soils where they were not able to grow in the past; food products that provide vaccines or important vitamins and nutrients.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentleman from Massachusetts (Mr. TIERNEY).

The amendment was agreed to.

AMENDMENT NO. 46 OFFERED BY MR. PICKERING

Mr. PICKERING. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 46 offered by Mr. PICKERING:

At the end of title IX, add the following section:

SEC. 9___. MARKET NAME FOR PANGASIUS FISH SPECIES.

The term ''catfish'' may not be considered to be a common or usual name (or part thereof) for the fish Pangasius bocourti, or for any other fish not classified within the family Ictalariidae, for purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

Mr. PICKERING. Mr. Chairman, I want to take this opportunity first to thank the Chairman, the gentleman from Texas (Mr. COMBEST), and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their leadership on the underlying legislation, the farm bill, which is greatly needed to stabilize and secure the farm economy as we go forward over the next decade.

The amendment that I have before us today is very simple. In December 2000, the FDA made a unilateral decision to allow the Vietnamese to label basafish as catfish. Now, this is equivalent to allowing water buffalo to be imported into this country under the label of beef.

Since that time we have seen false, deceptive, and misleading labeling of this product. For example, we have cajun delight catfish, we have delta fresh farm raised catfish, and I can tell my colleagues that we do not have these fish raised in the Mississippi Delta. It is misleading.

The tragedy is that we have allowed a situation to occur which is hurting an industry born a generation ago in Mississippi and Louisiana and Arkansas and across the southeast that has given the catfish the good name and the good flavor it has. This industry has created a vital and important contribution to my State's economy. We need to do everything that we can to make sure that our trade practices and labeling are fair.

This amendment will do that and will require the labeling of the Vietnamese import to be basa, as it should be.

Mr. Chairman, I want to recognize and thank my colleagues, the gentleman from Arkansas (Mr. BERRY), the gentleman from Mississippi (Mr. SHOWS), and the gentleman from Arkansas (Mr. ROSS), who are joining with me. I also want to thank the chairman for his work with me in this effort.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. PICKERING. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman's amendment. I understand the problem that the catfish farmers are facing as a result of an imported fish being inappropriately labeled.

The gentleman from Mississippi (Mr. PICKERING) has worked hard to develop a solution to this problem both administratively and legislatively. We can continue to work to try to find solutions to the problem. I appreciate the gentleman's amendment and will be happy to accept it.

Mr. PICKERING. I thank the chairman.

Mr. BERRY. Mr. Chairman, I rise in support of the amendment, and I want to join with my colleague from Mississippi this morning in support of this amendment.

The catfish industry in America is a very innovative, creative industry. My father was one of the pioneers in that industry. I think he would be terribly disappointed today to see what we are allowing to happen as basafish are being brought into this country and mislabeled catfish or mislabeled delta fresh. They are two completely different products. They are genetically different. This would be the same as calling a cat a cow, and we just simply should not allow it.

The Vietnamese basafish claim to be delta fresh. There is no way that this can be possible and it misleads our customers. The Vietnamese basafish are raised using cages thrown into the Mekong River, one of the most polluted watersheds in the world.

It is costing our producers about 10 to 20 cents a pound as they try to stay in business. They are struggling right now. They have a very difficult marketplace because of the situation that this basafish import has created. This price differential has made it so that our producers are no longer profitable.

We simply cannot continue to let unsafe, mislabeled product destroy our catfish producers in this country. Delta farm-raised catfish are of the highest quality. They are clearly what the consumers want, and we should not allow the mislabeling of Vietnamese basafish to continue and to mislead our consumers.

Mr. SHOWS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the gentleman from Mississippi (Mr. PICKERING) and all my colleagues in supporting this amendment.

Mr. Chairman, right now we know what rural America and rural Mississippi is going through in agriculture. It is being depleted and we are losing jobs and farmers every day. Catfish may not be a big industry in the rest of the country, but catfish is the fourth largest agricultural product in Mississippi. All the catfish feed mills and processing plants are either family-owned or farmer-owned cooperatives.

Our family farmers are on the verge of going out of business and the Vietnamese imported fish industry is putting them out of business. Vietnamese fish products labeled as farm-raised catfish are flooding our markets today. The Vietnamese farmers are producing inferior, potentially unsafe fish products and disguising them with labels that imitate the ones we place on ours, like farm-raised catfish. It is a ploy to mislead and confuse the consumer about the origin of the product.

In 1997, the U.S. imported 120,000 pounds of Vietnamese fish product. Just 4 years later, in 2001, we are up to almost 20 million pounds of so-called farm-raised catfish. The Vietnamese Government has verbally agreed to cooperate with the American trade officials about labeling the fish products, but we cannot rest on their assertions. This is why I wholeheartedly support this amendment, and I encourage my colleagues to protect our American catfish and our farmers in rural America.

Mrs. EMERSON. Mr. Chairman, I move to strike the requisite number of words.

I want to thank Chairman COMBEST and Ranking Member STENHOLM for working endlessly on the Farm Security Act of 2001. I want them to know that I think they have done a superb job. I think it is an excellent bill. The producers in my district think it is an excellent bill, in spite of what some other people might say. I sincerely appreciate their efforts to include the McGovern-Dole International Food for Education and Child Nutrition Program in the trade title of the farm bill.

Missouri's own Harry Truman joined 20,000 Americans on May the 8th, 1946, in sending food donations to victims and survivors of World War II. Many of

these recipients were children. And when the packages reached the port at LeHavre, France, it was clear that the folks in the U.S. had joined forces to help those in need, something that Americans have always done at home and abroad.

We are fortunate to have overcome the scars of starvation experienced in World War II here in this country, but the battle against hunger and for survival still exists today. We know the school lunch program here in America has made a genuine difference in the lives of hungry children; but, unfortunately, children in other countries are still starving. Three hundred million poor children are undernourished, and 35,000 children die every day from hunger-related disease and illness. A hungry child cannot learn.

I am very, very proud of the bill that my colleague, the gentleman from Massachusetts (Mr. MCGOVERN), and I introduced, the George McGovern and Bob Dole International Food for Education and Child Nutrition Act of 2001, which is loosely based on our American School Lunch Program, which was originally sponsored in the United States Senate by Senator Dole and Senator McGovern, who are known worldwide for being champions of ending hunger.

Now, the Food for Education Act would make permanent a pilot program for commodity donations that was established during the 106th Congress. This is truly a win-win endeavor for the United States. Not only are we able to feed children here at home and in poor countries, but we also use surpluses from our farmers and producers, and that helps strengthen their bottom lines at a time when our farmers are truly hurting.

Additionally, it strengthens farm prices, and we all know that aid does lead to trade.

So I just want to thank the chairman and the ranking member once again for including this very, very important piece of legislation within the bill.

Mr. ROSS. Mr. Chairman, I move to strike the requisite number of words.

I am honored today to be a cosponsor of the Pickering-Ross amendment to the farm bill. The farm-raised catfish industry is an important part of the economy of my congressional district, which covers all of south Arkansas, where many farm families have converted their row-crop farms into catfish farms in recent years in order to turn a more decent profit. In fact, Arkansas is number three in catfish sales in the Nation, with nearly $66 million, or 13 percent, of the total United States sales, behind only Mississippi and Alabama.

Today, these catfish producers in my district and around the country, especially in the delta region, are being unfairly hurt by so-called catfish being dumped into American markets from Vietnam and sold as catfish. The truth is, it is not catfish. It is even not the same species of fish. In fact, American farm-raised catfish and Vietnamese so-called catfish are no more related than a cat is to a cow. Our amendment would protect our farm-raised catfish producers by saying that the term catfish cannot be used for any fish, such as the ones from Vietnam, that are not specifically a member of the catfish family.

Last year, imports of Vietnamese catfish totaled 7 million pounds, more than triple the 2 million pounds imported in 1999 and more than 12 times the 575,000 pounds imported back in 1998. Indications show that imports have now reached as much as 1 million pounds a month. Many catfish farmers estimate that these imports have taken away as much as 20 percent of their market share.

In Vietnam, the so-called catfish can be produced at a much lower cost due to cheap labor and less stringent environmental regulations. Many of these fish are being grown in cages in polluted rivers. Then they are dumped into American markets and passed off as farm-raised catfish.

□ 1045

This dumping of so-called catfish into our country not only hurts our farm families, if hurts our working families. Many of the plants where the catfish are processed, hire workers who are making the transition from welfare to work.

Just a few weeks ago, I visited a plant in my district in the Delta in Lake Village, Arkansas that has already been forced to cut their work schedule to a 4-day work week. Other catfish processing plants are facing similar problems, and some are even facing the possibility of having to close altogether.

It is really quite simple. Our farmers and our workers do not mind competition, but they do mind when the competition is unfair. I urge my colleagues to support America's farm-raised catfish industry, our farm families, and our working families. I urge my colleagues to vote for this amendment.

Mr. MCGOVERN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of title III for this bill, and in particular section 312, George McGovern-Robert Dole International Food for Education and Child Nutrition Program.

I especially want to express my appreciation for the leadership of the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) for including this provision in the chairman's mark of title III when it was taken up by the Committee on International Relations.

I commend the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) for negotiating on language and agreeing to include section 312 in the final version of H.R. 2646.

I pledge to work with my colleagues and the administration to identify a reliable funding stream for this program as the farm bill moves through the legislative process. In the meantime, section 312 makes it clear that the President may continue to use existing authorities to continue and expand the pilot program.

In May, the gentlewoman from Missouri (Mrs. EMERSON) and I introduced H.R. 1700, a bill to establish the Global Food for Education Program inspired by a proposal advocated by former Senators McGovern and Dole, this bill currently has 107 bipartisan cosponsors. Section 312 is a modified version of this bill.

The George McGovern-Robert Dole International Food for Education and Child Nutrition Program would provide at least one nutritious meal each day in a school setting to many of the more than 300 million school children who go to bed hungry. Some 130 million of these children do not go to school because their parents need them to go to work at home or go to menial jobs or because they are orphaned by war, natural disasters, or diseases like AIDS.

This program would complement and expand throughout the world America's own highly successful school breakfast and school lunch programs. It would expand the President's commitment to education and to leave no child behind to the international stage.

A pilot program currently reaches 9 million children in 38 countries. With the provision in this bill, we now have the opportunity to create a permanent program and expand its reach to nearly 30 million children. We can blaze a trail for other donor nations to follow. We can demonstrate America's commitment to achieving the worldwide goal of cutting the number of hungry people in the world in half by 2015, while at the same time providing education for all.

To carry out this program, we can call on the experience of groups like Catholic Relief Services, CARE, Save the Children, Land O'Lakes, and the United Nations World Food Program, that have successfully proven that school feeding programs get more children into school and keep them in school, especially girls.

We can purchase the necessary commodities from American farmers, using the products of their hard labor to provide a school breakfast, lunch, power snack or take-home meal that will turn a listless and dull-eyed child into an attentive student. And American rail workers, truck drivers, dock workers, port authorities and merchant marine will make sure the food gets from our farms and our shores to where it is needed most.

For just 10 cents a day for each meal, we can feed a hungry child and help that child learn. With what we pay for a Big Mac, fries, and a soft drink, we can afford to feed two entire classrooms of kids in Ghana or Nepal.

In these difficult times, every action taken by the Congress, including this farm bill, takes on added meaning in

the eyes of the world community. In examining our farm and rural policy, we must seek to add value, economic, social, and moral, to the dollars we spend on farm policy. One of the ways we do this is by increasing international food aid through our existing programs and by undertaking new initiatives. This bill does both.

For most of recent history, dating back to the 1950s, our country has been the single largest donor of international food assistance. The Global Food for Education Program, section 312, upholds that tradition. It is especially important, during this trying time for our Nation, that we continue our international involvement, particularly our aid to children in developing countries, so that the world can clearly see our abiding commitment to eradicating poverty, hunger, illiteracy, and intolerance.

Mr. Chairman, I commend the chairman's work on title III and the increase in food aid programs. I strongly support the George McGovern-Robert Dole International Food for Education Program, and I urge my colleagues to support these food aid programs.

Mr. THUNE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I also compliment the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) and the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) for including the George McGovern-Robert Dole International Food for Education in this farm bill.

George McGovern is one of South Dakota's native sons, a Senator, candidate for President of this great country, and a humanitarian. Senator Dole is someone that he worked with on both sides of the aisle putting together a bipartisan plan that would help address the needs of needy children around the world.

Coming from a farm State, the McGovern-Dole Food Act appeals to South Dakota because of its impact on the agricultural economy. While the food aid is shipped overseas, much of the money stays here in the United States. Domestic beneficiaries of food aid exports include agricultural producers, places like my home State of South Dakota, and suppliers, processors and millers .

In addition, food aid leads to food trade. U.S. food aid alleviates poverty and promotes economic growth in recipient countries. At the same time as incomes in developing countries are rising, consumption patterns are changing and food and other imports of U.S. goods and services increase. In 1996, 9 of the top 10 agricultural importers of U.S. products were prior food aid recipients.

It is important to note that this legislation targets hungry and malnourished children who are not going to school and who live in poor communities. They wish they did have the money to buy American agricultural products, but they do not.

The overwhelming majority of these children reside in the 87 low-income, food deficit countries of the world. So even their governments do not have the money to purchase our food.

Mr. Chairman, I believe food aid is a better alternative to the billions of dollars in foreign aid that we spend every year. This legislation would assure that children in need get food assistance rather than giving money to some of the regimes around the world who have less-than-pure motives when it comes to the way that they treat their people.

The United States has a surplus of its high-quality agricultural products. Why not help the starving children in underdeveloped nations by giving them a piece of that surplus.

Mr. Chairman, I appreciated the willingness of the leadership on both sides of the aisle to support this important initiative, this legislation which has been worked on so diligently by a couple of great statesmen and leaders in this countries, Senator McGovern and Senator Dole. And I appreciate that it has been made a part of this farm legislation, and I thank the leadership for their assistance with it. It is a win-win for American producers and hungry children across the world.

Mr. WICKER. Mr. Chairman, I rise today in strong support of the amendment offered by my good friend, Mr. PICKERING. The United States Catfish industry is currently subjected to unfair trade competition which threatens the future success of many catfish producers and the communities they support. Frozen fish fillets of an entirely different family of fish are imported and unlawfully passed off to customers as ''catfish''. This is happening in such large and increasing volumes that the true ''North American Catfish'' market is being flooded by a lesser quality product at a much cheaper price.

American consumers are defrauded into believing that they are receiving farm raised U.S. catfish instead of another species of fish raised along the Mekong River in Vietnam. Most of the Vietnamese fish are raised in floating cages and ponds along the Mekong River Delta, feeding on whatever floats down the river. Yet the importers are fraudulently marketing them as farm-raised grain-fed catfish. Since the Vietnamese do not place a high value on cultivating the fish in a controlled environment, their cost of production is much lower.

Importers of the Vietnam fish, searching for new markets, were allowed by the FDA to use the term ''catfish'' in combination with previously approved names. This has resulted in imports entering the U.S. in skyrocketing quantities. The amendment offered today will correct this mistake and help assure that consumers are receiving the quality product that they so desire.

It is unlawful to pass a cheaper fish species off as another species. There is evidence of widespread illegal packaging and labeling of the Vietnamese fish which violates numerous existing laws, including the Fair Packaging and Labeling Act, the Trade-Mark Act of 1946, the Customs origin marking requirements, and the Federal Food Drug and Cosmetic Act.

Since 1997, the total import volume of Vietnamese catfish has risen from less than 500 thousand pounds to over 7 million pounds in 2000. According to the most recent data, imports are reaching levels of 2 million pounds per month and are on target to reach over 20 million pounds this year. As of May this year, Vietnamese fish imports have captured an estimated 20% of the U.S. catfish fillet market.

There are over 189,000 acres of land in catfish production, of which 110,000 are in my home state of Mississippi. U.S. catfish farmers produce 600 million pounds of farm-raised catfish annually and require 1.8 billion pounds of feed. This supports over 90,000 acres of corn, 500,000 acres of soybeans, and cotton seed from over 230,000 acres of cotton.

This very young industry has created a catfish market where none had previously existed. They have done this by investing substantial capital to producing a quality product which the consumer considers to be reliable, safe, and healthy. We cannot allow unfair competition to destroy the livelihood of farmers, processors, employees and communities which depend on the American catfish industry.

I urge my colleagues to help protect the American catfish industry and ensure that consumers are receiving the quality product they expect by supporting the amendment offered by Mr. PICKERING.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentleman from Mississippi (Mr. PICKERING).

The amendment was agreed to.

AMENDMENT NO. 29 OFFERED BY MR. HOLT

Mr. HOLT. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 29 offered by Mr. HOLT:

At the end of title IX, insert the following new section:

SEC. ___. PROGRAM OF PUBLIC EDUCATION REGARDING USE OF BIOTECHNOLOGY IN PRODUCING FOOD FOR HUMAN CONSUMPTION.

(a) PUBLIC INFORMATION CAMPAIGN.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall develop and implement a program to communicate with the public regarding the use of biotechnology in producing food for human consumption. The information provided under the program shall include the following:

(1) Science-based evidence on the safety of foods produced with biotechnology.

(2) Scientific data on the human outcomes of the use of biotechnology to produce food for human consumption.

(b) AUTHORIZATION OF APPROPRIATIONS.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this section.

(Mr. HOLT asked and was given permission to revise and extend his remarks.)

Mr. HOLT. Mr. Chairman, this amendment is modeled after the Food Biotechnology Information Act, the legislation that I introduced in the 106th Congress and again this year.

The point of the bill and this amendment is to give consumers the best information possible so they can make

informed choices about the food they eat.

There is much uncertainty and much misinformation about biotechnology and food engineering. Certainly we need to be careful with biotechnology, as we need to be careful with all new and emerging technologies. With a tool this powerful, there are possibilities of damage and misuse. But as a scientist, I believe the use of biotechnology can provide greater yields of nutritionally enhanced foods with less land used and reduced use of pesticides and herbicides. That is to say, biotechnology can be a real benefit to the consumer and the environment.

Biotechnology applications are already reviewed and controlled by the Department of Agriculture, the Food and Drug Administration, and other agencies. My amendment deals with public information. I think the government has a responsibility to provide clear, science-based, evidence-based public information that helps consumers, policymakers, and others make informed choices about foods.

I applaud the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) for including part of my legislation, the Food Biotechnology Information Act in this bill. It deals with sound scientific research, and I thank them for doing that.

Mr. Chairman, I would like to complete this by including this information on this amendment on public information. It is a straightforward amendment that directs the Secretary of Agriculture to undertake an information campaign to provide scientifically based information to consumers to allow them to understand the benefits and indications of this new technology for their food choices.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman's interest. Biotechnology offers extraordinary potential, not only to improve the economic viability of farms in the country, but to also help combat animal and plant diseases, improve food safety and quality, and enhance our ability to produce more food on less land with fewer agricultural inputs. Therefore, improving our ability to enhance the environment. I appreciate the gentleman's interest in the subject.

Mr. Chairman, the committee would be pleased to accept the gentleman's amendment.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I, too, think this is a good amendment. It could be very complementary to the activity that is already going on in the biotechnology community. Since science-based information is required, this is an excellent amendment; and I, too, join in its support.

Mr. HOLT. Mr. Chairman, I thank the gentleman from Texas (Chairman COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM).

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey (Mr. HOLT).

The amendment was agreed to.

AMENDMENT NO. 65 OFFERED BY MR. WATKINS OF OKLAHOMA

Mr. WATKINS of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 65 offered by Mr. WATKINS of Oklahoma:

At the end of title V, insert the following:

SEC. ___. TEMPORARY SUSPENSION OF FORECLOSURE ON CERTAIN REAL PROPERTY OWNED BY, AND RECOVERY OF CERTAIN PAYMENTS FROM, BORROWERS WITH SHARED APPRECIATION ARRANGEMENTS.

During the period that begins with the date of the enactment of this Act and December 31, 2002, in the case of a borrower who has failed to make a payment required under section 353(e) of the Consolidated Farm and Rural Development Act with respect to real property, the Secretary of Agriculture—

(1) shall suspend foreclosure on the real property by reason of the failure; and

(2) may not attempt to recover the payment from the borrower.

(Mr. WATKINS of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. WATKINS of Oklahoma. Mr. Chairman, I salute the gentleman from Texas (Chairman COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), for the job they have done in putting together this tough piece of legislation.

Mr. Chairman, I have a strong commitment to agriculture. I know that it is a very difficult issue to work through. It is a very important program for this great country and for the economy that we have which extends around the world.

Mr. Chairman, I have an amendment; and I offer this amendment to the farm bill which is vitally important to many family farmers across the country. My amendment would temporarily suspend the collection schedule, the foreclosures, until December 31, 2002, about 14 months, on certain real property owned by, and recovery of certain payments from farmer-borrowers with shared appreciation agreements.

Beginning in 1989, over 12,000 family farmers enrolled in shared appreciation agreement. These agreements allowed farmers and ranchers that so desperately need it to restructure their debt.

After 10 years, many of these farmers have been shocked and find themselves in conflict with their own government about the repayment and the type of schedule they must go through, and also how these new payments have been calculated.

My amendment is important to many of our family farmers, especially a lot of our elderly farmers in America. You cannot find a more committed and dedicated people to our land, our soil, and our country; but many farmers believe they have been misled by their government. I think it is very important we allow ample time, and this is what my amendment actually does.

□ 1100

We have got to look at the calculations and the recapturing costs and values of this. It gives the committee and others ample time to look into these before many of our farmers and ranchers are hurt even further.

I would like to request that the chairman and his ranking member accept this to allow us the time to be able to look into it.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. WATKINS of Oklahoma. I yield to the gentleman from Texas.

Mr. COMBEST. I appreciate the gentleman working with the committee on trying to come up with this amendment and his advance notice of it. We have looked at it. We appreciate the gentleman's interest in agriculture. We wish he served on our committee, but I understand that the powerful committee that he is on has an agricultural interest as well. I would like to tell the gentleman that the committee would be in a position to accept the amendment.

Mr. WATKINS of Oklahoma. I thank the chairman and the ranking member.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentleman from Oklahoma (Mr. WATKINS).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. ANDREWS:

At the end of subtitle F of title II, insert the following:

SEC. . PROVISION OF ASSISTANCE FOR REPAUPO CREEK TIDE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.

(a) IN GENERAL.—Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project in the State of New Jersey.

(b) FUNDING.—Of the funds available for the Emergency Watershed Protection Program, not to exceed $600,000 shall be available to the Secretary of Agriculture to carry out subsection (a).

MODIFICATION TO AMENDMENT NO. 3 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I ask unanimous consent that my amendment be modified by striking subparagraph B.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 3 offered by Mr. ANDREWS:

Strike subsection (b).

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ANDREWS. Mr. Chairman, I would like to begin by thanking Chairman COMBEST and Ranking Member STENHOLM for their excellent work on this piece of legislation.

This amendment deals with a very serious problem in Gloucester County, New Jersey, in my district which could lead to severe flooding, loss of life and property damage for hundreds of families who live adjacent to the Repaupo Creek. The tide gate, which is supposed to control flooding on that creek, is in severely dilapidated condition. The excellent work of the Agriculture Department in the State of New Jersey has thus far indicated a willingness of that Department to address and solve this problem.

In order to make it explicit that the Department of Agriculture has the authority to provide assistance for the planning and implementation of the Repaupo Creek tide gate and dike restoration project, I have introduced this amendment. Again, I believe it is an excellent preventative measure.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Texas.

Mr. COMBEST. I appreciate the gentleman yielding.

Mr. Chairman, just to make the record clear, subsection B of the amendment would have provided an opportunity for a point of order by the Committee on Appropriations. The gentleman from New Jersey (Mr. ANDREWS) has worked this issue out with Chairman BONILLA. Striking that subsection makes the amendment agreeable.

I would be in a position to recommend the committee accept the amendment.

Mr. ANDREWS. Reclaiming my time, I also wish to express my thanks to Chairman BONILLA and his staff for helping us.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS), as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 57, AMENDMENT NO. 58 AND AMENDMENT NO. 59 OFFERED BY MR. THUNE

Mr. THUNE. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendment No. 57, amendment No. 58 and amendment No. 59 offered by Mr. THUNE:

Amendment No. 57: At the end of subtitle B of title II, insert the following:

SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.

Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking ''and 2002'' and all that follows through ''South Dakota'' and inserting ''through 2011 calendar years, the Secretary shall carry out a program in each State'';

(2) in paragraph (3)(C), by striking ''—'' and all that follows and inserting ''not more than 150,000 acres in any 1 State.''; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

Amendment No. 58: Add at the end of title IX the following:

SEC. 932. GAO STUDY.

(a) IN GENERAL.—The Comptroller General shall conduct a study and make findings and recommendations with respect to determining how producer income would be affected by updating yield bases, including—

(1) whether crop yields have increased over the past 20 years for both program crops and oilseeds;

(2) whether program payments would be disbursed differently in this Act if yield bases were updated;

(3) what impact this Act's target prices with updated yield bases would have on producer income; and

(4) what impact lower target prices with updated yield bases would have on producer income compared to this Act.

(b) REPORT.—The Comptroller General shall submit a report to Congress on the study, findings, and recommendations required by subsection (a), not later than 6 months after the date of enactment of this Act.

Amendment No. 59: At the end, add the following (and make such technical and conforming changes as may be appropriate):

SEC. 932. INTERAGENCY TASK FORCE ON AGRICULTURAL COMPETITION.

(a) APPOINTMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall establish an Interagency Task Force on Agricultural Competition (in this section referred to as the ''Task Force'') and, after consultation with the Attorney General, shall appoint as members of the Task Force such employees of the Department of Agriculture and the Department of Justice as the Secretary considers to be appropriate. The Secretary shall designate 1 member of the Task Force to serve as chairperson of the Task Force.

(b) HEARINGS.—The Task Force shall conduct hearings to review the lessening of competition among purchasers of livestock, poultry, and unprocessed agricultural commodities in the United States and shall include in such hearings review of the following matters:

(1) The enforcement of particular Federal laws relating to competition.

(2) The concentration and vertical integration of the business operations of such purchasers.

(3) Discrimination and transparency in prices paid by such purchasers to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(4) The economic protection and bargaining rights of producers who raise livestock and poultry under contracts.

(5) Marketing innovations and alternatives available to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(c) REPORT.—Not later than 1 year after the last member of the Task Force is appointed, the Task Force shall submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report containing the findings and recommendations of the Task Force for appropriate administrative and legislative action.

Mr. THUNE. Mr. Chairman, the first amendment that I offer today would direct the Comptroller General of the GAO to conduct a study with respect to determining how producer income would be affected by updating yield bases. The yield base is one part of the equation to determining a farmer's assistance payment. Updating yield bases in this bill is crucial to the corn farmers of South Dakota. Currently, yield bases are taken from yield information from 1981 to 1985. Corn yield technology has changed significantly in the past 20 years in South Dakota. As a consequence, corn farmers in my State believe that the next farm bill should include language that provides for updated yield bases to accommodate the vast increase of base yields that producers in South Dakota have seen in recent decades.

The study I am proposing would detail, first, whether crop yields have increased over the past 20 years for both program crops and oilseeds; second, whether program payments would be disbursed differently in this Act if yield bases were updated; third, what impact this Act's target prices with updated yield bases would have on producer income; and, finally, what impact lower target prices with updated yield bases would have on producer income compared to this Act.

I would ask, Mr. Chairman, that Members support this amendment to study how producer income would be affected by updating yield bases.

The second amendment, Mr. Chairman, that I offer has to do with extending the Farmable Wetlands Pilot Program through the life of this farm bill. The Farmable Wetlands Pilot Program is a six-State voluntary program to restore up to 500,000 acres of farmable wetlands and associated buffers by improving the land's hydrology and vegetation. Eligible producers in South Dakota, North Dakota, Iowa, Minnesota, Montana and Nebraska can enroll eligible lands in the pilot through the Conservation Reserve Program. The pilot was authorized by the fiscal year 2001 Agricultural Appropriations Act.

Eligible acreage includes farmed and prior converted wetlands that have been impacted by farming activities. Eligibility requirements include that land must be cropland planted to agriculture commodities 3 of the 10 most recent crop years and be physically and legally capable of being planted in a normal manner to an agricultural commodity; a wetland must be five acres or less; a buffer may not exceed the greater of three times the size of the wetland or an average of 150 feet on either side of the wetland; and participants must agree to restore the hydrology of the wetland to the maximum extent possible.

Producers in my State have had an enthusiastic enrollment thus far and have requested that the program be extended through the life of this farm bill. While doing so, my amendment also opens the program to all States.

I ask that Members support this amendment to continue the effectiveness of the Conservation Reserve Program as it pertains to farmable wetlands.

The third amendment, Mr. Chairman, that I ask be approved directs the Secretary of Agriculture to appoint an interagency task force on agricultural competition. The task force would review the lessening of competition among purchasers of livestock, poultry and unprocessed agricultural commodities in the United States by appraising, one, the enforcement of particular Federal laws relating to competition; the concentration and vertical integration of the business operations of such purchasers; discrimination and transparency in prices paid by such purchasers to producers of commodities; the economic protection and bargaining rights of producers who raise livestock and poultry under contracts; and marketing innovations and alterations available to producers.

During my tenure in Congress, the Committee on the Judiciary held a hearing at my request on competitiveness in the agriculture and food marketing industry. At that hearing and in subsequent conversations with other Members of Congress, I proposed that Congress thoroughly examine existing antitrust statutes and consider how those statutes are being applied and whether agencies and courts are following the laws according to congressional intent.

The very purpose of our antitrust statutes, namely, the Sherman Act and the Clayton Act, is to protect our suppliers from anticompetitive practices that result from market dominance. There are laws on the books that prohibit monopolistic or anticompetitive practices. Unfortunately for family farmers, these laws are not preventing such activities from occurring.

For example, the hog industry has consolidated rapidly, with the four largest firms' shares of hog slaughter reaching 57 percent in 1998 compared with 32 percent in 1980. In the cattle sector, the four largest beef packers accounted for 79 percent of all cattle slaughtered in 1998 compared with 36 percent in 1980. Additionally, four firms control nearly 62 percent of flour milling, four firms control 57 percent of dry corn milling, four firms control 74 percent of wet corn milling, and four firms control nearly 80 percent of soybean crushing.

From 1984 to 1998, consumer food prices increased 3 percent while the prices paid to farmers for their products plunged by 36 percent. The impact of this price disparity is highlighted by reports of record profits among agribusiness firms at the very same time that agricultural producers are suffering through an economic crisis.

Mr. Chairman, with that said, I ask that Members support this amendment to create an interagency task force on agricultural competition to recommend appropriate administrative and legislative action on this very important issue to agriculture across this country.

I ask that these amendments be approved en bloc.

Mr. BEREUTER. Mr. Chairman, I rise in support of the amendments.

I think the gentleman from South Dakota (Mr. THUNE) should be commended for offering these three amendments. All are subjects of great concern and interest to my own constituency. As I held my agricultural town hall meetings, all of these issues were brought up as important issues that should be addressed. The gentleman from South Dakota, in offering No. 58, specifically on wetlands, has a major impact, as he mentioned, not only on his State, but several States including my own. And No. 60, which is an issue directed against the lack of competition in the marketing area and in the input area, is particularly important to our constituents.

I think these amendments deserve very strong support.

Mr. HILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of that part of the amendment of the gentleman from South Dakota which directs the Secretary of Agriculture to appoint an interagency task force on agricultural competition.

Family farmers in Indiana often say they feel squeezed by the growing power and size of agribusinesses. They say they have fewer and fewer choices on where and with whom to do business. A farmer often has no choice but to buy seeds, fertilizer and chemicals from a division of the same company that will end up buying the farmer's finished crops at harvest. Farmers and ranchers also say that their bargaining power is eroding more every day as big changes take place in American agriculture.

As agribusinesses merge and become vertically integrated, America's family farmers worry there is no room for them in the future of agriculture. It is alarming enough that there are one-third as many farms now as there were in the 1930s. There were 7 million farms in the United States in the 1930s. Now there are about 2.2 million farms, a decline of 70 percent in 70 years. Now farmers fear they are losing control of their ability to make regular, routine decisions about their own small businesses.

The facts seem to bear out the concerns of America's farmers and ranchers. The five largest beef packers account for about 83 percent of the cattle slaughter. The four largest corn exporters control nearly 70 percent of that market. Just 50 producers market half of all the pigs raised in this country.

Farmers and ranchers are the heart of America's rural communities, and they feel they are being ignored by the law. It is time their concerns about agribusinesses are addressed. If the big companies are engaging in anticompetitive practices, our farmers and ranchers deserve to know the facts. And if agribusinesses are doing business fairly, farmers and ranchers should know that as well. The interagency task force on agricultural competition would review the lessening of competition in agriculture and recommend appropriate administrative and legislative action.

For that reason, I ask that Members support this amendment.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from South Dakota (Mr. THUNE).

The amendments were agreed to.

AMENDMENT NO. 4, AMENDMENT NO. 6 AND AMENDMENT NO. 7 OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be taken up en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendment No. 4, amendment No. 6 and amendment No. 7 offered by Mr. BEREUTER:

Amendment No. 4: In section 212(a)—

(1) strike ''and'' at the end of paragraph (1);

(2) strike the last period at the end of paragraph (2) and insert ''; and''; and

(3) add at the end the following:

(3) by adding after and below the end the following flush sentence:

''Notwithstanding the preceding sentence (but subject to subsection (c)), the Secretary may not include in the program established under this subchapter any land that has not been in production for at least 4 years, unless the land is in the program as of the effective date of this sentence.''.

Amendment No. 6: At the end of title IX, insert the following new section:

SEC. ___. AUTHORIZATION FOR ADDITIONAL STAFF AND FUNDING FOR THE GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION.

There are authorized to be appropriated such sums as are necessary to enhance the capability of the Grain Inspection, Packers and Stockyards Administration to monitor, investigate, and pursue the competitive implications of structural changes in the meat packing industry. Sums are specifically earmarked to hire litigating attorneys to allow the Grain Inspection, Packers and Stockyards Administration to more comprehensively and effectively pursue its enforcement activities.

Amendment No. 7: At the end of title V, insert the following:

SEC. ___. AUTHORITY TO MAKE BUSINESS AND INDUSTRY GUARANTEED LOANS FOR FARMER-OWNED PROJECTS THAT ADD VALUE TO OR PROCESS AGRICULTURAL PRODUCTS.

Section 310B(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(1)) is amended by inserting ''(and in areas other than rural communities, in the

case of insured loans, if a majority of the project involved is owned by individuals who reside and have farming operations in rural communities, and the project adds value to or processes agricultural commodities)'' after ''rural communities''.

Mr. BEREUTER. Mr. Chairman, I want to compliment our colleagues from Texas, the chairman and ranking member of the Committee on Agriculture, for their efforts in bringing us important legislation, and one, I think, that will be even further improved by a variety of amendments that they have agreed to accept. I have three that I offer today at this point.

The first relates to the Conservation Reserve Program. By virtually any measure, the CRP has proven to be enormously successful. It is a national investment which provides dividends to environmentalists, farmers, sportsmen, conservationists, the general public and wildlife. The CRP actually dwarfs other conservation and wildlife protection efforts. This Member is pleased that it has been reauthorized and expanded.

However, this amendment is offered to close a loophole which was brought to this Member's attention at a recent listening session in northeast Nebraska. Quite simply, this amendment ensures that the CRP be used for its intended purposes. This straightforward amendment states that only land which has been in production for 4 consecutive years is eligible for the CRP, unless the land is already in the program.

We are finding that a variety of people are using this to buy land which they will use for acreage, leaving it in the CRP a short period of time. I understand that the staff may work in conference to perfect this, if necessary, but I believe it is an important change and closes a loophole unintendedly created within the program.

□ 1115

The second amendment that I offer in No. 6 relates to the Grain Inspection, Packers and Stockyards part of the USDA. It is based on legislation introduced in the other body by the distinguished gentleman from Iowa, Mr. GRASSLEY. Clearly, the issue of concentration in agriculture, particularly in the meat packing industry, is a growing concern. There is simply too little competition, and Congress should work to correct this problem.

The report issued by the General Accounting Office last year found significant shortcomings in the composition of the Grain Inspection, Packers and Stockyards Administration's, GIPSA, investigative teams. This amendment helps to address these concerns.

During listening sessions in this Member's district and in other meetings, producers have made it clear that the consolidation and concentration of firms that sell supplies to farmers and among those that buy their crops and livestock is hurting family farm operations. This is an issue which is mentioned over and over in a concerted and emphatic manner. The support for their views often may be anecdotal, but I believe it is a concern so widely and strongly expressed that the House Committee on Agriculture and the Congress must not ignore it.

Mr. Chairman, the third amendment that I offer en bloc, No. 7, relates to value-added loans. It enhances the USDA's Rural Business Industry Guaranteed Loan Program and promotes value-added products.

The amendment simply expands the loan program to areas other than rural communities if a majority of those individuals involved in the project reside and have farming operations in rural communities, and the project adds value to or processes agriculture commodities. This would remove a stumbling block for worthwhile projects which currently are prohibited even though they would benefit our Nation's farmers.

Mr. Chairman, I think it is critically important that Congress assist these projects designed to add value to agriculture commodities. Producers need to be able to move up the agriculture and food-producing and marketing chain in order to capture a larger share of the profits generated from processing their raw commodities. This amendment is a small, but I think positive, step toward that goal. It removes a barrier to receiving a business and industry guaranteed loan, while maintaining important safeguards to help ensure that the program is used as intended.

This Member urges his colleagues to support this amendment and the other two.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman's yielding and his agreement to roll these into one vote, therefore conserving some time. We certainly looked at the amendment. The gentleman makes some very good points. The committee would be in a position to accept the amendments.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendments offered by the gentleman from Nebraska (Mr. BEREUTER).

The amendments were agreed to.

AMENDMENT NO. 45 OFFERED BY MRS. MORELLA

Mrs. MORELLA. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. MORELLA:

At the end of title IX, insert the following new section:

SEC. ____. ENFORCEMENT OF THE HUMANE METHODS OF SLAUGHTER ACT OF 1958.

(a) FINDINGS.—Congress finds as follows:

(1) Public demand for passage of Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'') was so great that when President Eisenhower was asked at a press conference if he would sign the bill, he replied, ''If I went by mail, I'd think no one was interested in anything but humane slaughter''.

(2) The Humane Methods of Slaughter Act of 1958 requires that animals be rendered insensible to pain when they are slaughtered.

(3) Scientific evidence indicates that treating animals humanely results in tangible economic benefits.

(4) The United States Animal Health Association passed a resolution at a meeting in October 1998 to encourage strong enforcement of the Humane Methods of Slaughter Act of 1958 and reiterated support for the resolution at a meeting in 2000.

(5) The Secretary of Agriculture is responsible for fully enforcing the Act, including monitoring compliance by the slaughtering industry.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Agriculture should fully enforce Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'') by ensuring that humane methods in the slaughter of livestock—

(1) prevent needless suffering;

(2) result in safer and better working conditions for persons engaged in the slaughtering industry;

(3) bring about improvement of products and economies in slaughtering operations; and

(4) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce.

(c) POLICY OF THE UNITED STATES.—It is the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods, as provided by Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'').

Mrs. MORELLA. Mr. Chairman, my amendment is just a simple sense of Congress that reaffirms our support for the Humane Methods of Slaughter Act, which has been law since 1958. I want to thank the gentleman from Oregon (Mr. BLUMENAUER) also for letting me speak on this noncontroversial amendment at this time.

This law that we passed in 1958 intends to prevent the needless suffering of animals that are slaughtered for food. It states that animals must be in a state of complete unconsciousness throughout the butchering process, and under no conditions can an animal ever be dragged while conscious or disabled. In short, slaughter-bound animals are never to be rushed, beaten, or tortured while they are still alive.

The Humane Methods of Slaughter Act was strengthened in 1978 to empower USDA inspectors to stop the slaughter line if they observe any cruelty. USDA has the power to enforce humane slaughter regulations. The American people expect them to uphold this law, and supporting this amendment will demonstrate that Congress continues to believe that animals being slaughtered should be treated humanely.

In addition, this sense of Congress supports the full enforcement of existing law by the U.S. Department of Agriculture's Food Safety and Inspection Service. Through full cooperation and disclosure, we can assure the American people that the meat that they buy was slaughtered in a humane way. In the words of Gandhi, ''The greatness of a nation and its moral progress can be judged by the way its animals are treated.''

All we are asking is that we enforce the laws that we made. I encourage all Members to support this amendment.

I want to thank the gentleman from Texas (Chairman COMBEST) for allowing me to be able to offer this.

Mr. COMBEST. Mr. Chairman, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I want to thank the gentlewoman for working with us to develop her amendment. This is a very important matter that we take very seriously. We appreciate the work that the gentlewoman is doing on it. The committee would be in a position to accept the amendment.

Mrs. MORELLA. Mr. Chairman, reclaiming my time, I thank the gentleman for his leadership and comments.

Mr. STENHOLM. Mr. Chairman, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I want to thank the gentlewoman for her concern in this area. I join in the support of the chairman for her amendment. I thank her for her interest in this.

Mrs. MORELLA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. MORELLA).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. BLUMENAUER

Mr. BLUMENAUER. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BLUMENAUER:

At the end of title IX (page 354, after line 16), insert the following new section:

SEC. 932. PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.

(a) PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.—Section 26(d) of the Animal Welfare Act (7 U.S.C. 2156(d)) is amended to read as follows:

''(d) ACTIVITIES NOT SUBJECT TO PROHIBITION.—This section does not apply to the selling, buying, transporting, or delivery of an animal in interstate or foreign commerce for any purpose, so long as the purpose does not include participation of the animal in an animal fighting venture.''.

(b) EFFECTIVE DATE.—The amendment made by this section take effect 30 days after the date of the enactment of this Act.

In the table of contents, after the item relating to section 931 (page 8, before line 1), insert the following new item:

Sec. 932. Prohibition on interstate movement of animals for animal fighting.

Mr. BLUMENAUER. Mr. Chairman, I rise in support of the amendment in association with the gentleman from Colorado (Mr. TANCREDO) and appreciate his leadership and support on this important issue.

One area of overwhelming consensus on the part of the American public is for the protection of animals, and there is an almost universal aversion to barbaric sports like dog fighting and cockfighting. We have done our job as it relates to dogs. We have not, as it relates to the practice of cockfighting. The majority of the American public overwhelmingly opposes it, and this House voted to ban its use 25 years ago. Yet it still lingers on.

Male chickens are bred to display traits of hostility. They are trained to fight, and then they are armed with pikes or knives to maim other roosters. It is calculated to maximize the bloodshed.

Sadly, we are in today the third century of a struggle to eliminate this cruel and barbaric practice. Much progress has in fact been made; not here in Congress, but at the State level. It began in the 19th century with the State of Massachusetts in 1837, and went on through the 1800's with States like Mississippi and Arkansas. Today, 47 States have outlawed the practice, and there is strong evidence that the citizens of the three remaining States are likewise strongly opposed. In all likelihood, there will be another one or two States that will outlaw this through their legislatures, and, if not, then by the people themselves.

The purpose of this amendment, Mr. Chairman, is to make sure that the Federal Government is not complicit in aiding and abetting this barbaric practice. The Federal Government has no business undermining the laws in the 47 States by permitting the transfer of these birds across State lines.

There are a couple of problems with the situation that we face right now. In the States where the practice is legal, just the three of them, the cockfighting activities, the arenas, the pits, have developed around the borders of the State. So like in Texas, people come across the border into Oklahoma and engage in the practice. It makes it easy for people to undermine the activities in a State like Texas by going to Louisiana or to Oklahoma.

The practice of moving these birds across State lines raises another difficult problem, because law enforcement officials have to deal with the consequences of what is happening in the other 47 States where it is not legal. People who are involved, they claim they are just raising and training the birds, not involved in actual cockfighting activities itself. But time and time and time again, the practice activities degenerate into actual illegal cockfighting activities, and I will not take the time now to enter into the RECORD example after example where these activities are taking place. And it is not just the barbaric act on the animals themselves that has been outlawed, but there is a great deal of illegal gambling; and there are time and time again violent acts that are associated with these clandestine activities. That is why over 100 law enforcement agencies have urged the enactment of this legislation.

Mr. Chairman, Members of this body have recognized that it is time to step up and be counted. Last session we had a majority of Members who cosponsored legislation, with the lead sponsor being our colleague, the gentleman from Minnesota (Mr. PETERSON). For some reason, we could not bring that legislation forward. This session we have over 200 Members who have already cosponsored legislation, but somehow it has been left out of this bill.

I strongly urge that we correct this oversight now. Every major law enforcement agency in my State is supporting the measure because it will make their job easier while stopping this barbaric practice. I suggest that we move to approve this amendment now, to support the humane treatment of animals, and support the efforts of our law enforcement officials. We do not have to wait for legislation that is somehow lingering. We can put it into this bill now.

We do not allow transportation across State lines of dogs for fighting purposes. We should do the same thing as it relates to cockfighting. Take the Federal Government out of the business of aiding and abetting this 3-century legacy of shame.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know of anyone who is supportive of the inhumane treatment of animals, and it is something which obviously there are many occasions in which one can point to in which that occurs. But the concern that the Committee on Agriculture has is a number of unintended consequences that this may have in a more broad-reaching impact and implication.

We held a hearing on this issue in September of last year to determine the need for the legislation. It was very apparent during testimony, we were trying to look at what other implications might be brought into it unintentionally; and from questioning many witnesses, there are issues and concerns that have not been resolved.

Among these issues were the effectiveness of the legislative proposal, the impact such legislation could have on transportation of birds for purposes other than fighting, and the implications for animal health programs.

If the amendment was enacted, someone wishing to get under the legislation that the law would create could simply indicate that they are not shipping the birds to Oklahoma, but instead they were going to the Philippines.

The amendment would have a chilling effect on transportation of other birds. Breeders and exhibitors of fancy birds have testified that airlines, shipping companies, et cetera, were not willing or able to distinguish between live birds for fighting or those from exhibition, kids in 4–H clubs or FFA clubs or others for show purposes that happen many times between States.

Many poultry breeders, including those breeding game birds, voluntarily participate in the National Poultry Improvement Program. This program is a joint effort between industry, the Federal and State officials to establish standards for evaluating poultry breeding stock and hatchery products for freedom from hatchery dissemination and egg dissemination diseases. The National Poultry Improvement Program's mission is to certify all baby chicks, poults and hatching eggs for interstate and international movement. Criminalizing interstate shipment of game birds may dissuade game breeders from participating in the program, which could have certainly some impact on the industry.

This is a $25 billion-a-year industry. So there are the concerns that were raised by people in the business, and I will say people who do not engage in game fighting, that I think are very legitimate, that I think in fact warrant further discussion and clarification, so that if broad blanket of trying to reach a number of folks that I think the gentleman's intent is to reach, we do not also encompass many, many others who in fact are interested.

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Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in yielding. I have another amendment at the desk that would close this loophole for the international transport, not just for fighting birds, but also for dogs. We do not permit fighting dogs to be transported intrastate.

Would the gentleman agree that the adoption of the other amendment that we have pending would be able to close this loophole for them all?

Mr. COMBEST. Mr. Chairman, reclaiming my time, it does nothing to address the issue of concern about those people who are trying to ship totally legitimately poultry within the United States; that may be a totally legitimate shipment that would not be involved in game fighting that would, in fact, come under this. That is the primary concern I have.

The point that I was simply trying to make, and certainly maybe his second amendment does address that, relative to whether it is intrastate or international, it probably would be addressed by his second amendment, but the other concerns that I mention, in fact, would not be addressed.

Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, if I may, and I appreciate the gentleman's concern, but we have been able to successfully ship dogs around the country; they have been able to have dogs for show purposes, and they have been outlawed for some 50 years, meaning transport for fighting purposes. Why could we not do the same thing, have the same protection for poultry that we have for dogs?

Mr. COMBEST. Mr. Chairman, reclaiming my time, certainly there is probably some merit to what the gentleman said. I think, however, it is much more identifiable which dogs potentially are going to be used for fighting purposes than there are for game birds.

Mr. TANCREDO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Blumenauer-Tancredo amendment. It is a narrowly drawn measure that eliminates a one-phrase loophole in the Animal Welfare Act. Simply put, it bars the shipment of birds for the purpose of fighting. It is clear. It is not ambiguous. I think that it cannot be used to do anything but what we are saying it should do.

Now, I know that if it puts a slight burden on any other aspect of the industry, there are people who are going to be opposed to it and, I assume, or I suppose that that is proper from their point of view; but I think that it is not that much of a burden that it would prevent this amendment from being effective, from actually doing what it simply says we should do, that these birds should not be shipped across State lines for this horrendous purpose. It does not affect the ownership of the use of birds for show or the legitimate transport of birds for agricultural purposes. It strikes the provision that permits transporting birds for the purpose of fighting, the purpose of fighting, to States in which cockfighting is legal.

This particular activity is rampant, in part, because of the Federal loophole that allows birds to be transported for this activity. This loophole will be closed if this passes and, up to this point, it has served to undermine local law enforcement in trying to enforce their own State laws against this practice. Illegal and violent activities often accompany cockfights, such things as gambling, money laundering, assaults, and even more serious, murders. Most of the money made in this activity is illegal. Gambling tax evasion is rampant. The activity itself of cockfighting is inhumane and barbaric. It is not just a human issue, it is a serious law enforcement issue. Over 100 law enforcement agencies have endorsed this amendment.

This is not an attack on a way of life but, rather, an attack on a criminal activity and a way to help law enforcement do their own job in their own States.

Mr. Chairman, I urge support for the Blumenauer-Tancredo amendment.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Blumenauer-Tancredo amendment. I want to thank the gentleman for bringing this inhumane issue of cockfighting to the floor.

The amendment seeks to eliminate a one-phrase loophole in the Federal Animal Welfare Act by barring any interstate shipment of birds for fighting purposes. I understand the concerns of the chairman, but I think they can be worked out.

Currently, 47 States have outlawed cockfighting, but a Federal loophole allows the shipment of birds from States where cockfighting is illegal to any State where it is legal. This loophole is exploited to conduct illegal activity around the country.

I want to stress that this amendment would not affect the ownership or use of birds for show purposes or the transport of birds for legitimate agricultural purposes. This amendment would protect States' rights by removing this loophole which currently undermines the ability of State and local law enforcement agencies to enforce their bans on animal fighting.

The amendment has the endorsement, as has been mentioned, of 98 law enforcement agencies, 40 newspapers across the country, and also no mainstream agricultural organizations have expressed any opposition to the legislation.

Cockfighting is not a sport. Cockfighting promotes illegal gambling and animal cruelty. At cockfights, birds are dragged to increase their aggression and drugged; they are affixed with knives to their legs, placed in a pit; and unable to escape the pit, the birds mutilate each other.

I am sure my colleagues will all agree that fighting dogs for entertainment is inhumane and cruel. Surely, cockfighting is inhumane and cruel. I urge my colleagues to join me in supporting the Blumenauer-Tancredo amendment.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in Texas, cockfighting is illegal, and several law enforcement organizations say that prohibiting transport to other States will help them crack down on illegal operations. That is our law.

I would like to ask a question of the authors of this amendment, though.

In a situation in which it is legal within a State to have cockfighting, under this amendment, if it should pass, would it prohibit a raiser of fighting chickens in a State in which it is legal to ship to a foreign country in which it is also legal?

Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, to the best of my knowledge, it is not.

That is why I have a subsequent amendment designated number 9 which I will offer that would make it illegal to transport these birds out of the United States.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I guess this is what is troubling. Personally, I oppose cockfighting. I mean that is our State law, and that is my personal feeling. But I am troubled, as so often is the case, when we pass amendments that do that which we all want to do, there are unintended consequences. It seems to me that if we have a State in which an activity is legal, whether I agree with it or not is immaterial, so long as it is constitutional. I am troubled by this wording and unintended consequences that might then be interpreted in other areas in which none of us can even think about right now.

But if the gentleman is going to say to a State that has made the determination as yet that it is still legal and then we are going to begin prosecuting legal activities within a State that ship to another country, we are getting into interstate commerce; and I am not sure all of this is what the gentleman intends to do.

I raise this question. I appreciate the gentleman's clarification of his intent, but I think it points out that there can be some very, very serious unintended consequences. As I say, in Texas we outlawed it a long time ago; you cannot do it legally in Texas, and I agree with that. I agree with our law enforcement that are having a difficult time doing what the gentleman is trying to prohibit, but I also worry about the unintended consequences.

Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's concern about unintended consequences. The issue that the gentleman talks about in terms of the export of these animals out of the country, which is perfectly legal, is one of those unintended consequences. The reason I will be offering another amendment is right now, it is legal to export from the United States dogs that are bred for fighting. I do not think anybody here agrees with it. It is illegal in the United States to do it. It is an unintended consequence.

What we are attempting to do with this amendment that is before us now is to close the unintended consequence in terms of how it moves right now across State lines, and amendment No. 9 would close the loophole not just for fighting birds, but for dogs which I think no Member of this assembly believes we should do, and it was one of the unintended consequences of not writing the Animal Welfare law properly whenever that was enacted.

I appreciate the gentleman's concern, and I will be offering an amendment to try and correct that.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I thank the gentleman for his clarification. I am not an attorney, but there is something that just raised its head regarding constitutionality and individual rights, whether we agree with them or not. How many times do we stand on this floor and have individuals say, I do not agree with this, but the Constitution of the United States provides that it happens. Until we change laws, I am troubled by the fact that we here are about to supersede our wisdom on another State's interpretation of what is legal and illegal. As I said, in Texas, we made the decision. But I think we are trying to make a decision for a few other States in which I question whether that is something we want to do.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentleman from Oregon (Mr. BLUMENAUER).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. BLUMENAUER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Oregon (Mr. BLUMENAUER) will be postponed.

AMENDMENT NO. 5 OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. BEREUTER:

At the end of subtitle B of title I (page 66, after line 3), insert the following new section:

SEC. 132. ALTERNATIVE LOAN RATES UNDER FLEXIBLE FALLOW PROGRAM.

(a) DEFINITION OF TOTAL PLANTED ACREAGE.—In this section, the term ''total planted acreage'' means the cropland acreage of a producer that for the 2000 crop year was—

(1) planted to a covered commodity;

(2) prevented from being planted to a covered commodity; or

(3) fallow as part of a fallow rotation practice with respect to a covered commodity, as determined by the Secretary.

(b) ELECTION TO PARTICIPATE.—In lieu of receiving a loan rate under section 122 with respect to production eligible for a loan under section 121, a producer may elect to participate in a flexible fallow program for any of the 2002 through 2011 crops under which annually—

(1) the producer determines which acres of the total planted acreage are assigned to a specific covered commodity;

(2) the producer determines—

(A) the projected percentage reduction rate of production of the specific covered commodity based on the acreage assigned to the covered commodity under paragraph (1); and

(B) the acreage of the total planted acreage of the producer to be set aside under subparagraph (A), regardless of whether the acreage is on the same farm as the acreage planted to the specific covered commodity;

(3) based on the projected percentage reduction rate of production as a result of the acreage set aside under paragraph (2), the producer receives the loan rate for each covered commodity produced by the producer, as determined under subsection (c); and

(4) the acreage planted to covered commodities for harvest and set aside under this section is limited to the total planted acreage of the producer.

(c) LOAN RATES UNDER PROGRAM.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of a producer of a covered commodity that elects to participate in the flexible fallow program under this section, the loan rate for a marketing assistance loan under section 121 for a crop of the covered commodity shall be based on the projected percentage reduction rate of production determined by the producer under subsection (b)(2), in accordance with the following table:

Projected Percentage Reduction Rate	Corn Commodity Rate ($/bushel)	Wheat Loan Rate ($/bushel)	Soybean Loan Rate ($/bushel)	Upland Cotton Loan Rate ($/pound)	Rice Loan Rate ($/hundredweight)
0%	1.89	2.75	4.72	0.5192	6.50
1%	1.91	2.78	4.77	0.5268	6.60
2%	1.93	2.81	4.81	0.5344	6.70
3%	1.95	2.83	4.86	0.5420	6.80
4%	1.97	2.86	4.91	0.5496	6.90
5%	1.99	2.89	4.96	0.5572	7.00
6%	2.01	2.92	5.01	0.5648	7.10
7%	2.03	2.95	5.06	0.5724	7.20
8%	2.05	2.98	5.11	0.5800	7.30
9%	2.07	3.01	5.16	0.5876	7.40
10%	2.09	3.04	5.21	0.5952	7.50
11%	2.12	3.08	5.29	0.6028	7.60
12%	2.15	3.13	5.36	0.6104	7.70
13%	2.18	3.17	5.43	0.6180	7.80
14%	2.21	3.22	5.51	0.6256	7.90
15%	2.24	3.27	5.58	0.6332	8.00
16%	2.28	3.31	5.65	0.6408	8.10
17%	2.31	3.36	5.73	0.6484	8.20
18%	2.34	3.41	5.81	0.6560	8.30
19%	2.37	3.46	5.88	0.6636	8.40
20%	2.41	3.51	5.96	0.6712	8.50
21%	2.44	3.55	6.04	0.6788	8.60
22%	2.47	3.60	6.12	0.6864	8.70
23%	2.51	3.65	6.19	0.6940	8.80
24%	2.54	3.70	6.27	0.7016	8.90
25%	2.57	3.75	6.35	0.7092	9.00

Projected Percentage Reduction Rate	Corn Commodity Rate ($/bushel)	Wheat Loan Rate ($/bushel)	Soybean Loan Rate ($/bushel)	Upland Cotton Loan Rate ($/pound)	Rice Loan Rate ($/hundredweight)
26%	2.61	3.80	6.43	0.7168	9.10
27%	2.64	3.85	6.51	0.7244	9.20
28%	2.68	3.90	6.60	0.7320	9.30
29%	2.71	3.95	6.68	0.7396	9.40
30%	2.75	4.01	6.76	0.7472	9.50

(2) COUNTY AVERAGE YIELDS.—

(A) IN GENERAL.—The loan rate for a marketing assistance loan made to a producer for a crop of a covered commodity under paragraph (1) shall apply with respect to the production of the crop of the covered commodity by the producer in a quantity that does not exceed the historical county average yield for the covered commodity established by the National Agricultural Statistics Service, adjusted for long-term yield trends.

(B) EXCESS PRODUCTION.—The loan rate for a marketing assistance loan made to a producer for a crop of a covered commodity under paragraph (1) with respect to the production of the crop of the covered commodity in excess of the historical county average yield for the covered commodity described in subparagraph (A) shall be equal to the loan rate established for a 0% projected percentage reduction rate for the covered commodity under paragraph (1).

(C) DISASTERS.—

(i) IN GENERAL.—If the production of a crop of a covered commodity by a producer is less than the historical county average yield for the covered commodity described in subparagraph (A) as a result of damaging weather, an insurable peril, or related condition, the producer may receive a payment on the lost production that shall equal the difference between—

(I) the maximum quantity of covered commodity that could have been designated for the loan rate authorized under this section for the producer; and

(II) the quantity of covered commodity the producer was able to produce and commercially market.

(ii) CALCULATION OF PAYMENT.—The payment described in clause (i) shall be equal to the loan deficiency payment the producer could have received on the lost production on any date, selected by the producer, on which a loan deficiency payment was available for that crop of the covered commodity.

(3) OTHER COVERED COMMODITIES.—In the case of a producer of a covered commodity not covered by paragraphs (1) and (2) that elects to participate in the flexible fallow program under this section, the loan rate for a marketing assistance loan under section 121 for the crop of the covered commodity shall be based on—

(A) in the case of grain sorghum, barley, and oats, such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn;

(B) in the case of extra long staple cotton, such level as the Secretary determines is fair and reasonable; and

(C) in the case of oilseeds other than soybeans, such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except that the rate for the oilseeds (other than cottonseed) shall not be less than the rate established for soybeans on a per-pound basis for the same crop.

(d) CONSERVATION USE OF SET-ASIDE ACREAGE.—To be eligible for a loan rate under this section, a producer shall devote all of the acreage set aside under this section to a conservation use approved by the Secretary and manage the set-aside acreage using management practices designed to enhance soil conservation and wildlife habitat. The Secretary shall prescribe the approved management practices for a county in consultation with the relevant State technical committee.

(1) LIMITED GRAZING.—The Secretary may permit limited grazing on the set-aside acreage when the grazing is incidental to the gleaning of crop residues on adjacent fields.

(e) CERTIFICATION.—To be eligible to participate in the flexible fallow program for any of the 2002 through 2011 crops, a producer shall certify to the Secretary (by farm serial number) the total planted acreage assigned, planted, and set aside with respect to each covered commodity.

Mr. COMBEST. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. A point of order is reserved.

The gentleman from Nebraska (Mr. BEREUTER) is recognized for 5 minutes on his amendment.

Mr. BEREUTER. Mr. Chairman, this important amendment would permit farmers to voluntarily set aside a portion of their total crop acreage in exchange for higher loan rates on their remaining production.

This innovative proposal, which goes by the name of Flexible Fallow in Farm Country represents an effort to maintain planning flexibility, while improving on other areas of our farm policy. As I said, it is a voluntary program. It is an annual conservation use feature. It would be added to the farm bill's loan rate provisions.

If a farmer wants to operate under the new farm bill conditions, that opportunity remains. If a farmer needs greater leverage over crop production and marketing, Flexible Fallow would make that possible. The amendment would allow producers to conserve up to 30 percent or set aside up to 30 percent of their planted acreage on a crop-by-crop basis.

This approach was suggested during one of the agriculture advisory meetings this Member held in his district; and it, in fact, is considered in other States. The proposal, I think, has significant grass-roots support, because agricultural producers recognize the need for change and the need for more options to increase farm revenue.

Another very important point to stress is that this proposal would allow producers to make this decision annually. As a result, the land taken out of production would not send a long-term signal to our global competitors about our future production. It would leave producer countries like Brazil or Argentina guessing as to the impact of the collective decision of the American farmers who choose to participate in the Flexible Fallow program from year to year. They have the capacity to bring substantial amounts of land into production in those countries to replace ours in export markets, something we certainly should seek to avoid.

This Flexible Fallow program is a market-responsive proposal. When commodity prices are low, farmers could choose to voluntarily conserve or set aside more land in exchange for a higher loan rate. As prices improve, more land would come back into production.

In August of 1999, the Food and Agriculture Policy Research Institute, FAPRI, released an analysis of the Flexible Fallow program. FAPRI is a well-respected, dual-university research program involving the University of Missouri-Columbia and Iowa State University and joined by a consortium of four other universities.

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Its analysis found that crop farmers' annual net income would increase $5.4 million over the 2000 through 2008 period.

The FAPRI analysis stated, ''Reduced plantings translate into stronger crop prices under the Flexible Fallow scenario. The largest impacts occur in the 2000 to 2002 period as more producers take advantage of the land-idling provisions.''

The Flexible Fallow Program also promotes conservation. The legislation requires the idle land to be devoted to a conservation use. Producers would use management practices designed to enhance soil conservation and wildlife habitat.

This Member is aware of the projected costs or estimated costs of this program. They are not inconsequential, but I believe that the funds made available under this legislation, authorized by it, could be better used if part of those funds were shifted over to the Flexible Fallow Program.

That is a matter of choice, a matter of policy. I happen to think this is the right way to go and as do many of my farmers.

Mr. Chairman, American farmers continue to face enormously difficult times. Producers continue to struggle with plentiful supplies and low prices. While there are no easy answers, there are some steps we can take to help farmers. A lot of that is being done here today as part of this bill.

This Flexible Fallow amendment provides one important alternative. I urge my colleagues to support it.

POINT OF ORDER

Mr. COMBEST. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The gentleman will state it.

Mr. COMBEST. Mr. Chairman, I rise to make a point of order under 302(f) of the Budget Act.

The CHAIRMAN pro tempore. Does any other Member wish to be heard on the point of order?

Mr. BEREUTER. Mr. Chairman, regrettably, I concede the point of order.

The CHAIRMAN pro tempore. The point of order is conceded and sustained based on estimates provided by the Committee on the Budget.

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would ask the gentleman from Nebraska (Mr. BEREUTER) if he might know, what would be the administration's position on this amendment, were it not out of order because of budget reasons?

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I would say to the gentleman from Texas, I do not know the answer to that.

Mr. STENHOLM. I thank the gentleman for that answer.

AMENDMENT NO. 9 OFFERED BY MR. BLUMENAUER

Mr. BLUMENAUER. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. BLUMENAUER:

At the end of title IX (page 354, after line 16), insert the following new section:

SEC. 932. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting ''PENALTIES.—'' after ''(e)'';

(B) by striking ''$5,000'' and inserting ''$15,000''; and

(C) by striking ''1 year'' and inserting ''2 years''; and

(2) in subsection (g)(2)(B), by inserting at the end before the semicolon the following: ''or from any State into any foreign country''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

In the table of contents, after the item relating to section 931 (page 8, before line 1), insert the following new item:

Sec. 932. Penalties and foreign commerce provisions of the Animal Welfare Act.

Mr. BLUMENAUER. Mr. Chairman, I did want to follow up on the important points raised by the chairman and the ranking member dealing with unintended consequences and other issues that we have in terms of dealing with activities of animals for fighting purposes.

Mr. Chairman, I offer this amendment to deal with the concerns, legitimate concerns, that have been raised. It would close a loophole in the Animal Welfare Act that allows for the shipment of fighting dogs or birds from the United States to foreign countries, and it increases the penalties for promoting illegal animal fighting venues.

Mr. Chairman, the current penalties are 25 years old and are in dire need of update. It increases the maximum penalties from 1 year and a $5,000 fine to 2 years and a $15,000.

For comparison, Mr. Chairman, the Federal law passed last year prohibiting animal crush videos provided for maximum penalties of 5 years and $250,000 fine; and in most States there are provisions for a maximum of 5 years imprisonment for animal fighting, with some States' penalties as high as 10 years or $100,000.

With higher penalties, U.S. Attorneys are more likely to prosecute animal fighting violations. When the Federal anti-animal fighting law was enacted in 1976, no State made animal fighting a felony. Today, 46 States have felony provisions for animal fighting. We must increase our quarter-century-old Federal penalties to make them work in today's climate.

Closing the foreign commerce loophole is equally important. I appreciate my colleague's pointing it out. In 1976, Congress added a section to the Animal Welfare Act, section 26, to crack down on dogfighting and cockfighting; but it did not, however, ban shipment of dogs or birds from the United States to foreign countries. This loophole allows shipment of fighting birds to foreign countries that provides a smoke screen behind which illegal cockfighters operate here.

Ironically, Mr. Chairman, the United States prohibits the importing of animals for fighting but still allows the exports of this animal; a practice I believe may well violate international trade rules.

It is also important to note that the provisions of this amendment apply to the practice of dogfighting. As I mentioned previously, this is illegal in all 50 States. The same dire activities to breed the animals for aggressive characteristics, train them, and then place them in a pit to fight, to injure, or die applies as it does to cockfighting. We must not allow these dogs to be bred in the United States for shipment abroad.

Mr. Chairman, cockfighters rear birds for aggressive behavior. We have had the same thing in terms of what happens to the dogs. These practices are a major underground industry. It is time to close all possible loopholes, increase the penalties, and ban shipments of fighting dogs and birds to foreign countries.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Oregon (Mr. BLUMENAUER).

The amendment was agreed to.

AMENDMENT NO. 49 OFFERED BY MR. SHERWOOD

Mr. SHERWOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 49 offered by Mr. SHERWOOD:

At the end of chapter 1 of subtitle C of title I (page 75, after line 17), insert the following new sections:

SEC. 147. NORTHEAST INTERSTATE DAIRY COMPACT.

(a) IN GENERAL.—Section 147 of the Agricultural Market Transition Act (7 U.S.C. 7256) is amended—

(1) in the matter preceding paragraph (1), by striking ''States'' and all that follows through ''Vermont'' and inserting ''States of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont'';

(2) by striking paragraphs (1), (3), (4), and (7);

(3) by redesignating paragraph (2) as paragraph (1) and, in such paragraph, by striking ''Class III-A'' and inserting ''Class IV'';

(4) by inserting after paragraph (1), as so redesignated, the following new paragraphs:

''(2) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Northeast Interstate Dairy Compact Commission shall compensate the Secretary for the increased cost of any milk and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

''(3) ADDITIONAL STATE.—Ohio is the only additional State that may join the Northeast Interstate Dairy Compact.'';

(5) by redesignating paragraph (5) as paragraph (4) and, in such paragraph, by striking ''the projected rate of increase'' and all that follows through ''Secretary'' and inserting ''the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code''; and

(6) by redesignating paragraph (6) as paragraph (5).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect as of September 30, 2001.

SEC. 148. SOUTHERN DAIRY COMPACT.

(a) IN GENERAL.—Congress consents to the Southern Dairy Compact entered into among the States of Alabama, Arkansas, Georgia, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia, subject to the following conditions:

(1) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Southern Dairy Compact Commission may not regulate Class II, Class III, or Class IV milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937 (referred to in this section as a ''Federal milk marketing order'') unless Congress has first consented to and approved such authority by a law enacted after the date of enactment of this joint resolution.

(2) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Southern Dairy Compact Commission shall compensate the Secretary of Agriculture for the increased cost of any milk

and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(3) ADDITIONAL STATES.—Florida, Nebraska, and Texas are the only additional States that may join the Southern Dairy Compact, individually or otherwise.

(4) COMPENSATION OF COMMODITY CREDIT CORPORATION.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Southern Dairy Compact Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(5) MILK MARKETING ORDER ADMINISTRATOR.—At the request of the Southern Dairy Compact Commission, the Administrator of the applicable Federal milk marketing order shall provide technical assistance to the Compact Commission and be compensated for that assistance.

(b) COMPACT.—The Southern Dairy Compact is substantially as follows:

"ARTICLE I. STATEMENT OF PURPOSE, FINDINGS AND DECLARATION OF POLICY

"§ 1. Statement of purpose, findings and declaration of policy

''The purpose of this compact is to recognize the interstate character of the southern dairy industry and the prerogative of the states under the United States Constitution to form an interstate commission for the southern region. The mission of the commission is to take such steps as are necessary to assure the continued viability of dairy farming in the south, and to assure consumers of an adequate, local supply of pure and wholesome milk.

''The participating states find and declare that the dairy industry is an essential agricultural activity of the south. Dairy farms, and associated suppliers, marketers, processors and retailers are an integral component of the region's economy. Their ability to provide a stable, local supply of pure, wholesome milk is a matter of great importance to the health and welfare of the region.

''The participating states further find that dairy farms are essential and they are an integral part of the region's rural communities. The farms preserve land for agricultural purposes and provide needed economic stimuli for rural communities.

''In establishing their constitutional regulatory authority over the region's fluid milk market by this compact, the participating states declare their purpose that this compact neither displace the federal order system nor encourage the merging of federal orders. Specific provisions of the compact itself set forth this basic principle.

''Designed as a flexible mechanism able to adjust to changes in a regulated marketplace, the compact also contains a contingency provision should the federal order system be discontinued. In that event, the interstate commission is authorized to regulate the marketplace in replacement of the order system. This contingent authority does not anticipate such a change, however, and should not be so construed. It is only provided should developments in the market other than establishment of this compact result in discontinuance of the order system.

''By entering into this compact, the participating states affirm that their ability to regulate the price which southern dairy farmers receive for their product is essential to the public interest. Assurance of a fair and equitable price for dairy farmers ensures their ability to provide milk to the market and the vitality of the southern dairy industry, with all the associated benefits.

''Recent, dramatic price fluctuations, with a pronounced downward trend, threaten the viability and stability of the southern dairy region. Historically, individual state regulatory action had been an effective emergency remedy available to farmers confronting a distressed market. The federal order system, implemented by the Agricultural Marketing Agreement Act of 1937, establishes only minimum prices paid to producers for raw milk, without preempting the power of states to regulate milk prices above the minimum levels so established.

''In today's regional dairy marketplace, cooperative, rather than individual state action is needed to more effectively address the market disarray. Under our constitutional system, properly authorized states acting cooperatively may exercise more power to regulate interstate commerce than they may assert individually without such authority. For this reason, the participating states invoke their authority to act in common agreement, with the consent of Congress, under the compact clause of the Constitution.

"ARTICLE II. DEFINITIONS AND RULES OF CONSTRUCTION

"§ 2. Definitions

''For the purposes of this compact, and of any supplemental or concurring legislation enacted pursuant thereto, except as may be otherwise required by the context:

''(1) 'Class I milk' means milk disposed of in fluid form or as a fluid milk product, subject to further definition in accordance with the principles expressed in subdivision (b) of section three.

''(2) 'Commission' means the Southern Dairy Compact Commission established by this compact.

''(3) 'Commission marketing order' means regulations adopted by the commission pursuant to sections nine and ten of this compact in place of a terminated federal marketing order or state dairy regulation. Such order may apply throughout the region or in any part or parts thereof as defined in the regulations of the commission. Such order may establish minimum prices for any or all classes of milk.

''(4) 'Compact' means this interstate compact.

''(5) 'Compact over-order price' means a minimum price required to be paid to producers for Class I milk established by the commission in regulations adopted pursuant to sections nine and ten of this compact, which is above the price established in federal marketing orders or by state farm price regulations in the regulated area. Such price may apply throughout the region or in any part or parts thereof as defined in the regulations of the commission.

''(6) 'Milk' means the lacteral secretion of cows and includes all skim, butterfat, or other constituents obtained from separation or any other process. The term is used in its broadest sense and may be further defined by the commission for regulatory purposes.

''(7) 'Partially regulated plant' means a milk plant not located in a regulated area but having Class I distribution within such area. Commission regulations may exempt plants having such distribution or receipts in amounts less than the limits defined therein.

''(8) 'Participating state' means a state which has become a party to this compact by the enactment of concurring legislation.

''(9) 'Pool plant' means any milk plant located in a regulated area.

''(10) 'Region' means the territorial limits of the states which are parties to this compact.

''(11) 'Regulated area' means any area within the region governed by and defined in regulations establishing a compact over-order price or commission marketing order.

''(12) 'State dairy regulation' means any state regulation of dairy prices, and associated assessments, whether by statute, marketing order or otherwise.

"§ 3. Rules of construction

''(a) This compact shall not be construed to displace existing federal milk marketing orders or state dairy regulation in the region but to supplement them. In the event some or all federal orders in the region are discontinued, the compact shall be construed to provide the commission the option to replace them with one or more commission marketing orders pursuant to this compact.

''(b) The compact shall be construed liberally in order to achieve the purposes and intent enunciated in section one. It is the intent of this compact to establish a basic structure by which the commission may achieve those purposes through the application, adaptation and development of the regulatory techniques historically associated with milk marketing and to afford the commission broad flexibility to devise regulatory mechanisms to achieve the purposes of this compact. In accordance with this intent, the technical terms which are associated with market order regulation and which have acquired commonly understood general meanings are not defined herein but the commission may further define the terms used in this compact and develop additional concepts and define additional terms as it may find appropriate to achieve its purposes.

"ARTICLE III. COMMISSION ESTABLISHED

"§ 4. Commission established

''There is hereby created a commission to administer the compact, composed of delegations from each state in the region. The commission shall be known as the Southern Dairy Compact Commission. A delegation shall include not less than three nor more than five persons. Each delegation shall include at least one dairy farmer who is engaged in the production of milk at the time of appointment or reappointment, and one consumer representative. Delegation members shall be residents and voters of, and subject to such confirmation process as is provided for in the appointing state. Delegation members shall serve no more than three consecutive terms with no single term of more than four years, and be subject to removal for cause. In all other respects, delegation members shall serve in accordance with the laws of the state represented. The compensation, if any, of the members of a state delegation shall be determined and paid by each state, but their expenses shall be paid by the commission.

"§ 5. Voting requirements

''All actions taken by the commission, except for the establishment or termination of an over-order price or commission marketing order, and the adoption, amendment or rescission of the commission's by-laws, shall be by majority vote of the delegations present. Each state delegation shall be entitled to one vote in the conduct of the commission's affairs. Establishment or termination of an over-order price or commission marketing order shall require at least a two-thirds vote of the delegations present. The establishment of a regulated area which covers all or part of a participating state shall require also the affirmative vote of that state's delegation. A majority of the delegations from the participating states shall constitute a quorum for the conduct of the commission's business.

"§ 6. Administration and management

''(a) The commission shall elect annually from among the members of the participating state delegations a chairperson, a vice-chairperson, and a treasurer. The commission shall appoint an executive director and fix his or her duties and compensation. The executive director shall serve at the pleasure of the commission, and together with the treasurer, shall be bonded in an amount determined by the commission. The commission may establish through its by-laws an executive committee composed of one member elected by each delegation.

''(b) The commission shall adopt by-laws for the conduct of its business by a two-thirds vote, and shall have the power by the same vote to amend and rescind these by-laws. The commission shall publish its by-laws in convenient form with the appropriate agency or officer in each of the participating states. The by-laws shall provide for appropriate notice to the delegations of all commission meetings and hearings and of the business to be transacted at such meetings or hearings. Notice also shall be given to other agencies or officers of participating states as provided by the laws of those states.

''(c) The commission shall file an annual report with the Secretary of Agriculture of the United States, and with each of the participating states by submitting copies to the governor, both houses of the legislature, and the head of the state department having responsibilities for agriculture.

''(d) In addition to the powers and duties elsewhere prescribed in this compact, the commission shall have the power:

''(1) To sue and be sued in any state or federal court;

''(2) To have a seal and alter the same at pleasure;

''(3) To acquire, hold, and dispose of real and personal property by gift, purchase, lease, license, or other similar manner, for its corporate purposes;

''(4) To borrow money and issue notes, to provide for the rights of the holders thereof and to pledge the revenue of the commission as security therefor, subject to the provisions of section eighteen of this compact;

''(5) To appoint such officers, agents, and employees as it may deem necessary, prescribe their powers, duties and qualifications; and

''(6) To create and abolish such offices, employments and positions as it deems necessary for the purposes of the compact and provide for the removal, term, tenure, compensation, fringe benefits, pension, and retirement rights of its officers and employees. The commission may also retain personal services on a contract basis.

"§ 7. Rulemaking power

''In addition to the power to promulgate a compact over-order price or commission marketing orders as provided by this compact, the commission is further empowered to make and enforce such additional rules and regulations as it deems necessary to implement any provisions of this compact, or to effectuate in any other respect the purposes of this compact.

"ARTICLE IV. POWERS OF THE COMMISSION

"§ 8. Powers to promote regulatory uniformity, simplicity, and interstate cooperation

''The commission is hereby empowered to:

''(1) Investigate or provide for investigations or research projects designed to review the existing laws and regulations of the participating states, to consider their administration and costs, to measure their impact on the production and marketing of milk and their effects on the shipment of milk and milk products within the region.

''(2) Study and recommend to the participating states joint or cooperative programs for the administration of the dairy marketing laws and regulations and to prepare estimates of cost savings and benefits of such programs.

''(3) Encourage the harmonious relationships between the various elements in the industry for the solution of their material problems. Conduct symposia or conferences designed to improve industry relations, or a better understanding of problems.

''(4) Prepare and release periodic reports on activities and results of the commission's efforts to the participating states.

''(5) Review the existing marketing system for milk and milk products and recommend changes in the existing structure for assembly and distribution of milk which may assist, improve or promote more efficient assembly and distribution of milk.

''(6) Investigate costs and charges for producing, hauling, handling, processing, distributing, selling and for all other services performed with respect to milk.

''(7) Examine current economic forces affecting producers, probable trends in production and consumption, the level of dairy farm prices in relation to costs, the financial conditions of dairy farmers, and the need for an emergency order to relieve critical conditions on dairy farms.

"§ 9. Equitable farm prices

''(a) The powers granted in this section and section ten shall apply only to the establishment of a compact over-order price, so long as federal milk marketing orders remain in effect in the region. In the event that any or all such orders are terminated, this article shall authorize the commission to establish one or more commission marketing orders, as herein provided, in the region or parts thereof as defined in the order.

''(b) A compact over-order price established pursuant to this section shall apply only to Class I milk. Such compact over-order price shall not exceed one dollar and fifty cents per gallon at Atlanta, Ga., however, this compact over-order price shall be adjusted upward or downward at other locations in the region to reflect differences in minimum federal order prices. Beginning in nineteen hundred ninety, and using that year as a base, the foregoing one dollar fifty cents per gallon maximum shall be adjusted annually by the rate of change in the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor. For purposes of the pooling and equalization of an over-order price, the value of milk used in other use classifications shall be calculated at the appropriate class price established pursuant to the applicable federal order or state dairy regulation and the value of unregulated milk shall be calculated in relation to the nearest prevailing class price in accordance with and subject to such adjustments as the commission may prescribe in regulations.

''(c) A commission marketing order shall apply to all classes and uses of milk.

''(d) The commission is hereby empowered to establish a compact over-order price for milk to be paid by pool plants and partially regulated plants. The commission is also empowered to establish a compact over-order price to be paid by all other handlers receiving milk from producers located in a regulated area. This price shall be established either as a compact over-order price or by one or more commission marketing orders. Whenever such a price has been established by either type of regulation, the legal obligation to pay such price shall be determined solely by the terms and purpose of the regulation without regard to the situs of the transfer of title, possession or any other factors not related to the purposes of the regulation and this compact. Producer-handlers as defined in an applicable federal market order shall not be subject to a compact over-order price. The commission shall provide for similar treatment of producer-handlers under commission marketing orders.

''(e) In determining the price, the commission shall consider the balance between production and consumption of milk and milk products in the regulated area, the costs of production including, but not limited to the price of feed, the cost of labor including the reasonable value of the producer's own labor and management, machinery expense, and interest expense, the prevailing price for milk outside the regulated area, the purchasing power of the public and the price necessary to yield a reasonable return to the producer and distributor.

''(f) When establishing a compact over-order price, the commission shall take such other action as is necessary and feasible to help ensure that the over-order price does not cause or compensate producers so as to generate local production of milk in excess of those quantities necessary to assure consumers of an adequate supply for fluid purposes.

''(g) The commission shall whenever possible enter into agreements with state or federal agencies for exchange of information or services for the purpose of reducing regulatory burden and cost of administering the compact. The commission may reimburse other agencies for the reasonable cost of providing these services.

"§ 10. Optional provisions for pricing order

''Regulations establishing a compact over-order price or a commission marketing order may contain, but shall not be limited to any of the following:

''(1) Provisions classifying milk in accordance with the form in which or purpose for which it is used, or creating a flat pricing program.

''(2) With respect to a commission marketing order only, provisions establishing or providing a method for establishing separate minimum prices for each use classification prescribed by the commission, or a single minimum price for milk purchased from producers or associations of producers.

''(3) With respect to an over-order minimum price, provisions establishing or providing a method for establishing such minimum price for Class I milk.

''(4) Provisions for establishing either an over-order price or a commission marketing order may make use of any reasonable method for establishing such price or prices including flat pricing and formula pricing. Provision may also be made for location adjustments, zone differentials and for competitive credits with respect to regulated handlers who market outside the regulated area.

''(5) Provisions for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered, or for the payment of producers delivering milk to the same handler of uniform prices for all milk delivered by them.

''(A) With respect to regulations establishing a compact over-order price, the commission may establish one equalization pool within the regulated area for the sole purpose of equalizing returns to producers throughout the regulated area.

''(B) With respect to any commission marketing order, as defined in section two, subdivision three, which replaces one or more

terminated federal orders or state dairy regulations, the marketing area of now separate state or federal orders shall not be merged without the affirmative consent of each state, voting through its delegation, which is partly or wholly included within any such new marketing area.

''(6) Provisions requiring persons who bring Class I milk into the regulated area to make compensatory payments with respect to all such milk to the extent necessary to equalize the cost of milk purchased by handlers subject to a compact over-order price or commission marketing order. No such provisions shall discriminate against milk producers outside the regulated area. The provisions for compensatory payments may require payment of the difference between the Class I price required to be paid for such milk in the state of production by a federal milk marketing order or state dairy regulation and the Class I price established by the compact over-order price or commission marketing order.

''(7) Provisions specially governing the pricing and pooling of milk handled by partially regulated plants.

''(8) Provisions requiring that the account of any person regulated under the compact over-order price shall be adjusted for any payments made to or received by such persons with respect to a producer settlement fund of any federal or state milk marketing order or other state dairy regulation within the regulated area.

''(9) Provision requiring the payment by handlers of an assessment to cover the costs of the administration and enforcement of such order pursuant to Article VII, Section 18(a).

''(10) Provisions for reimbursement to participants of the Women, Infants and Children Special Supplemental Food Program of the United States Child Nutrition Act of 1966.

''(11) Other provisions and requirements as the commission may find are necessary or appropriate to effectuate the purposes of this compact and to provide for the payment of fair and equitable minimum prices to producers.

"ARTICLE V. RULEMAKING PROCEDURE

"§ 11. Rulemaking procedure

''Before promulgation of any regulations establishing a compact over-order price or commission marketing order, including any provision with respect to milk supply under subsection 9(f), or amendment thereof, as provided in Article IV, the commission shall conduct an informal rulemaking proceeding to provide interested persons with an opportunity to present data and views. Such rulemaking proceeding shall be governed by section four of the Federal Administrative Procedure Act, as amended (5 U.S.C. § 553). In addition, the commission shall, to the extent practicable, publish notice of rulemaking proceedings in the official register of each participating state. Before the initial adoption of regulations establishing a compact over-order price or a commission marketing order and thereafter before any amendment with regard to prices or assessments, the commission shall hold a public hearing. The commission may commence a rulemaking proceeding on its own initiative or may in its sole discretion act upon the petition of any person including individual milk producers, any organization of milk producers or handlers, general farm organizations, consumer or public interest groups, and local, state or federal officials.

"§ 12. Findings and referendum

''(a) In addition to the concise general statement of basis and purpose required by section 4(b) of the Federal Administrative Procedure Act, as amended (5 U.S.C. § 553(c)), the commission shall make findings of fact with respect to:

''(1) Whether the public interest will be served by the establishment of minimum milk prices to dairy farmers under Article IV.

''(2) What level of prices will assure that producers receive a price sufficient to cover their costs of production and will elicit an adequate supply of milk for the inhabitants of the regulated area and for manufacturing purposes.

''(3) Whether the major provisions of the order, other than those fixing minimum milk prices, are in the public interest and are reasonably designed to achieve the purposes of the order.

''(4) Whether the terms of the proposed regional order or amendment are approved by producers as provided in section thirteen.

"§ 13. Producer referendum

''(a) For the purpose of ascertaining whether the issuance or amendment of regulations establishing a compact over-order price or a commission marketing order, including any provision with respect to milk supply under subsection 9(f), is approved by producers, the commission shall conduct a referendum among producers. The referendum shall be held in a timely manner, as determined by regulation of the commission. The terms and conditions of the proposed order or amendment shall be described by the commission in the ballot used in the conduct of the referendum, but the nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto.

''(b) An order or amendment shall be deemed approved by producers if the commission determines that it is approved by at least two-thirds of the voting producers who, during a representative period determined by the commission, have been engaged in the production of milk the price of which would be regulated under the proposed order or amendment.

''(c) For purposes of any referendum, the commission shall consider the approval or disapproval by any cooperative association of producers, qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the Capper–Volstead Act, bona fide engaged in marketing milk, or in rendering services for or advancing the interests of producers of such commodity, as the approval or disapproval of the producers who are members or stockholders in, or under contract with, such cooperative association of producers, except as provided in subdivision (1) hereof and subject to the provisions of subdivision (2) through (5) hereof.

''(1) No cooperative which has been formed to act as a common marketing agency for both cooperatives and individual producers shall be qualified to block vote for either.

''(2) Any cooperative which is qualified to block vote shall, before submitting its approval or disapproval in any referendum, give prior written notice to each of its members as to whether and how it intends to cast its vote. The notice shall be given in a timely manner as established, and in the form prescribed, by the commission.

''(3) Any producer may obtain a ballot from the commission in order to register approval or disapproval of the proposed order.

''(4) A producer who is a member of a cooperative which has provided notice of its intent to approve or not to approve a proposed order, and who obtains a ballot and with such ballot expresses his approval or disapproval of the proposed order, shall notify the commission as to the name of the cooperative of which he or she is a member, and the commission shall remove such producer's name from the list certified by such cooperative with its corporate vote.

''(5) In order to insure that all milk producers are informed regarding the proposed order, the commission shall notify all milk producers that an order is being considered and that each producer may register his approval or disapproval with the commission either directly or through his or her cooperative.

"§ 14. Termination of over-order price or marketing order

''(a) The commission shall terminate any regulations establishing an over-order price or commission marketing order issued under this article whenever it finds that such order or price obstructs or does not tend to effectuate the declared policy of this compact.

''(b) The commission shall terminate any regulations establishing an over-order price or a commission marketing order issued under this article whenever it finds that such termination is favored by a majority of the producers who, during a representative period determined by the commission, have been engaged in the production of milk the price of which is regulated by such order; but such termination shall be effective only if announced on or before such date as may be specified in such marketing agreement or order.

''(c) The termination or suspension of any order or provision thereof, shall not be considered an order within the meaning of this article and shall require no hearing, but shall comply with the requirements for informal rulemaking prescribed by section four of the Federal Administrative Procedure Act, as amended (5 U.S.C. § 553).

"ARTICLE VI. ENFORCEMENT

"§ 15. Records; reports; access to premises

''(a) The commission may by rule and regulation prescribe record keeping and reporting requirements for all regulated persons. For purposes of the administration and enforcement of this compact, the commission is authorized to examine the books and records of any regulated person relating to his or her milk business and for that purpose, the commission's properly designated officers, employees, or agents shall have full access during normal business hours to the premises and records of all regulated persons.

''(b) Information furnished to or acquired by the commission officers, employees, or its agents pursuant to this section shall be confidential and not subject to disclosure except to the extent that the commission deems disclosure to be necessary in any administrative or judicial proceeding involving the administration or enforcement of this compact, an over-order price, a compact marketing order, or other regulations of the commission. The commission may promulgate regulations further defining the confidentiality of information pursuant to this section. Nothing in this section shall be deemed to prohibit (i) the issuance of general statements based upon the reports of a number of handlers, which do not identify the information furnished by any person, or (ii) the publication by direction of the commission of the name of any person violating any regulation of the commission, together with a statement of the particular provisions violated by such person.

''(c) No officer, employee, or agent of the commission shall intentionally disclose information, by inference or otherwise, which is made confidential pursuant to this section. Any person violating the provisions of this section shall, upon conviction, be subject to a fine of not more than one thousand dollars or to imprisonment for not more than one year, or to both, and shall be removed from office. The commission shall refer any allegation of a violation of this

section to the appropriate state enforcement authority or United States Attorney.

"§ 16. Subpoena; hearings and judicial review

''(a) The commission is hereby authorized and empowered by its members and its properly designated officers to administer oaths and issue subpoenas throughout all signatory states to compel the attendance of witnesses and the giving of testimony and the production of other evidence.

''(b) Any handler subject to an order may file a written petition with the commission stating that any such order or any provision of any such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the commission. After such hearing, the commission shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

''(c) The district courts of the United States in any district in which such handler is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within thirty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the commission by delivering to it a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the commission with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to this subdivision shall not impede, hinder, or delay the commission from obtaining relief pursuant to section seventeen. Any proceedings brought pursuant to section seventeen, except where brought by way of counterclaim in proceedings instituted pursuant to this section, shall abate whenever a final decree has been rendered in proceedings between the same parties, and covering the same subject matter, instituted pursuant to this section.

"§ 17. Enforcement with respect to handlers

''(a) Any violation by a handler of the provisions of regulations establishing an over-order price or a commission marketing order, or other regulations adopted pursuant to this compact shall:

''(1) Constitute a violation of the laws of each of the signatory states. Such violation shall render the violator subject to a civil penalty in an amount as may be prescribed by the laws of each of the participating states, recoverable in any state or federal court of competent jurisdiction. Each day such violation continues shall constitute a separate violation.

''(2) Constitute grounds for the revocation of license or permit to engage in the milk business under the applicable laws of the participating states.

''(b) With respect to handlers, the commission shall enforce the provisions of this compact, regulations establishing an over-order price, a commission marketing order or other regulations adopted hereunder by:

''(1) Commencing an action for legal or equitable relief brought in the name of the commission of any state or federal court of competent jurisdiction; or

''(2) Referral to the state agency for enforcement by judicial or administrative remedy with the agreement of the appropriate state agency of a participating state.

''(c) With respect to handlers, the commission may bring an action for injunction to enforce the provisions of this compact or the order or regulations adopted thereunder without being compelled to allege or prove that an adequate remedy of law does not exist.

"ARTICLE VII. FINANCE

"§ 18. Finance of start-up and regular costs

''(a) To provide for its start-up costs, the commission may borrow money pursuant to its general power under section six, subdivision (d), paragraph four. In order to finance the costs of administration and enforcement of this compact, including payback of start-up costs, the commission is hereby empowered to collect an assessment from each handler who purchases milk from producers within the region. If imposed, this assessment shall be collected on a monthly basis for up to one year from the date the commission convenes, in an amount not to exceed $.015 per hundredweight of milk purchased from producers during the period of the assessment. The initial assessment may apply to the projected purchases of handlers for the two-month period following the date the commission convenes. In addition, if regulations establishing an over-order price or a compact marketing order are adopted, they may include an assessment for the specific purpose of their administration. These regulations shall provide for establishment of a reserve for the commission's ongoing operating expenses.

''(b) The commission shall not pledge the credit of any participating state or of the United States. Notes issued by the commission and all other financial obligations incurred by it, shall be its sole responsibility and no participating state or the United States shall be liable therefor.

"§ 19. Audit and accounts

''(a) The commission shall keep accurate accounts of all receipts and disbursements, which shall be subject to the audit and accounting procedures established under its rules. In addition, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

''(b) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the participating states and by any persons authorized by the commission.

''(c) Nothing contained in this article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any participating state or of the United States.

"ARTICLE VIII. ENTRY INTO FORCE; ADDITIONAL MEMBERS AND WITHDRAWAL

"§ 20. Entry into force; additional members

''The compact shall enter into force effective when enacted into law by any three states of the group of states composed of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia and when the consent of Congress has been obtained.

"§ 21. Withdrawal from compact

''Any participating state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after notice in writing of the withdrawal is given to the commission and the governors of all other participating states. No withdrawal shall affect any liability already incurred by or chargeable to a participating state prior to the time of such withdrawal.

"§ 22. Severability

''If any part or provision of this compact is adjudged invalid by any court, such judgment shall be confined in its operation to the part or provision directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact. In the event Congress consents to this compact subject to conditions, said conditions shall not impair the validity of this compact when said conditions are accepted by three or more compacting states. A compacting state may accept the conditions of Congress by implementation of this compact.''.

SEC. 149. PACIFIC NORTHWEST DAIRY COMPACT.

Congress consents to a Pacific Northwest Dairy Compact proposed for the States of California, Oregon, and Washington, subject to the following conditions:

(1) TEXT.—The text of the Pacific Northwest Dairy Compact shall be identical to the text of the Southern Dairy Compact, except as follows:

(A) References to ''south'', ''southern'', and ''Southern'' shall be changed to ''Pacific Northwest''.

(B) In section 9(b), the reference to ''Atlanta, Georgia'' shall be changed to ''Seattle, Washington''.

(C) In section 20, the reference to ''any three'' and all that follows shall be changed to ''California, Oregon, and Washington.''.

(2) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Dairy Compact Commission established to administer the Pacific Northwest Dairy Compact (referred to in this section as the ''Commission'') may not regulate Class II, Class III, or Class IV milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937 (referred to in this section as a ''Federal milk marketing order'').

(3) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Pacific Northwest Dairy Compact Commission shall compensate the Secretary of Agriculture for the increased cost of any milk and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(4) EFFECTIVE DATE.—Congressional consent under this section takes effect on the date (not later than 3 years after the date of enactment of this Act) on which the Pacific Northwest Dairy Compact is entered into by the second of the 3 States specified in the matter preceding paragraph (1).

(5) COMPENSATION OF COMMODITY CREDIT CORPORATION.—Before the end of each fiscal year in which a price regulation is in effect under the Pacific Northwest Dairy Compact, the Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(6) MILK MARKETING ORDER ADMINISTRATOR.—At the request of the Commission, the Administrator of the applicable Federal milk marketing order shall provide technical assistance to the Commission and be compensated for that assistance.

SEC. 150. INTERMOUNTAIN DAIRY COMPACT.

Congress consents to an Intermountain Dairy Compact proposed for the States of Colorado, Nevada, and Utah, subject to the following conditions:

(1) TEXT.—The text of the Intermountain Dairy Compact shall be identical to the text of the Southern Dairy Compact, except as follows:

(A) In section 1, the references to ''southern'' and ''south'' shall be changed to ''Intermountain'' and ''Intermountain region'', respectively.

(B) References to ''Southern'' shall be changed to ''Intermountain ''.

(C) In section 9(b), the reference to ''Atlanta, Georgia'' shall be changed to ''Salt Lake City, Utah''.

(D) In section 20, the reference to ''any three'' and all that follows shall be changed to ''Colorado, Nevada, and Utah.''.

(2) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Dairy Compact Commission established to administer the Intermountain Dairy Compact (referred to in this section as the ''Commission'') may not regulate Class II, Class III, or Class IV milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937 (referred to in this section as a ''Federal milk marketing order'').

(3) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Intermountain Dairy Compact Commission shall compensate the Secretary of Agriculture for the increased cost of any milk and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(4) EFFECTIVE DATE.—Congressional consent under this section takes effect on the date (not later than 3 years after the date of enactment of this Act) on which the Intermountain Dairy Compact is entered into by the second of the 3 States specified in the matter preceding paragraph (1).

(5) COMPENSATION OF COMMODITY CREDIT CORPORATION.—Before the end of each fiscal year in which a price regulation is in effect under the Intermountain Dairy Compact, the Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(6) MILK MARKETING ORDER ADMINISTRATOR.—At the request of the Commission, the Administrator of the applicable Federal milk marketing order shall provide technical assistance to the Commission and be compensated for that assistance.

Mr. GREEN of Wisconsin. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN pro tempore. The gentleman from Wisconsin reserves a point of order on the amendment.

Mr. SHERWOOD. Mr. Chairman, the Sherwood-Etheridge-McHugh amendment to the farm bill would implement provisions of H.R. 1827, the Dairy Consumers and Producers Protection Act of 2001, a very bipartisan measure sponsored by 165 Members of the House representing 30 sites in the country.

This amendment allows the expansion and the extension of the Northeast Dairy Compact, which expired on September 30, and the creation of a Southern Dairy Compact, a Pacific Northwest Dairy Compact, and an Intermountain Dairy Compact.

Other Members offering this amendment are the gentleman from Vermont (Mr. SANDERS), the gentleman from Pennsylvania (Mr. HOLDEN), the gentleman from New York (Mr. HINCHEY), the gentleman from New York (Mr. SWEENEY), the gentleman from Mississippi (Mr. PICKERING), and the gentleman from Mississippi (Mr. SHOWS).

I have also sent out a Dear Colleague letter signed by 30 Members who want a debate and a vote on dairy compact extension and expansion legislation. The time has come for this debate.

Dairy compacts are good for our farmers, they are good for our consumers and our Nation for several reasons: They operate at no cost to taxpayers; they are constitutional; they enjoy strong support in Congress; and in the 25 States in which they have been overwhelmingly passed, the vote was over 5,000 to 300 for.

They keep dairy farmers producing high-quality milk our consumers demand at a stable and affordable price. Compacts also strengthen rural communities and help save farmland from urban sprawl. The reason they operate at no cost to taxpayers is the payments come from the milk market, and they are only made to farmers when the compact commission price is over the Federal marketing price.

That only happens on certain occasions. Right now, the compact would not be effective. The Federal order price is sufficient for people to produce milk. But when it goes down, it is a great safety net for producers of fluid milk.

The compacts are constitutional. Since passage of compact legislation in the 1996 farm bill, the U.S. Court of Appeals for the District of Columbia affirmed on January 20, 1998, that the compact is constitutional. Additional court rulings found that the compact commission's regulations were consistent with the commerce clause, the compact clause, and the due process clause of the U.S. Constitution.

Concerning bioterrorism, it will be much better for the stability of our food supply if milk is produced across the country, instead of just in certain concentrated areas. Milk is also proven to be cheaper under the compact in Boston than it is in many other areas of the country.

So in summary, Mr. Chairman, there are many reasons for compacts. They are good for farmers and rural communities, they are good for food security in a terrorist time, they are good for consumers because it assures a stable supply of fresh milk at a good price, they are good for taxpayers because the payments do not come out of the public Treasury, and they are proven in New England to work.

Mr. Chairman, I grew up in a small town in Nicholson, Pennsylvania. As a young man, we had three creameries, four feed dealers, and two automobile and equipment dealers in that little town. Today, there are none of those. The consolidation of agriculture is very tough on rural communities. So I would ask that we support this measure and pass dairy compacts. They are good for the country.

Mr. BALDACCI. Mr. Chairman, I rise in strong support, as a cosponsor of the amendment offered by the gentleman from Pennsylvania (Mr. SHERWOOD), along with the other Members who are signing onto this, and the over 160 Members, and counting, of this House of Representatives that support not only the continuation of the dairy compact but the expansion of the compact.

Mr. Chairman, we are talking about a document and legislation that is being supported by State legislatures, that is being supported by governors, and that is asking the United States Congress, not for the first time, Mr. Chairman, but for the third time to extend and expand the compact.

This works. It has worked well. My friends may offer arguments by saying it protects a region, that it increases the prices, and is not a benefit to the consumers. But the facts do not bear that out. In the compact States, as we have been able to show, the production is down versus the national average. In the compact States, the prices are lower than the national average. The consumers have actually been able to benefit.

I would submit, Mr. Chairman, that by supporting locally owned independent small businesses, which are these agricultural entities, we are supporting the strength of America and the strength of Maine, which is predominantly small businesses, family businesses.

In my own family business, we have always lamented about the fact that we have been exempted from child labor laws, so we worked early and often, and we did not receive very much for it. But as my mother says to me today, it never hurt any of us at all.

I think that the strength of that work ethic, that family involvement in local communities, is something that this compact supports, so we should not be discouraging these kinds of developments, but we should be encouraging these kinds of developments. What is wrong with locally owned home-grown small businesses, agricultural businesses? For far too long, we have been relegated to the back parts of America and in our communities.

I have always said to people, if we were able to fence it in like a defense establishment and be able to talk

about the farm families, the farm income, and the impact to our communities, we as political leaders would be falling all over ourselves to do everything possible to make sure not only we kept them but we expanded upon them.

Agriculture is our strongest defense, and our national food security interest. I think it is vital to make sure that they are strong and healthy and vibrant. This is the kind of a program that the dairy compact has been able to produce.

Having worked on two agricultural farm programs over the 8 years that I have served in Congress, the importance is to make sure that we have a countercyclical program, to make sure that we have a program that works with farmers, works with communities.

This is the ultimate program. It does not kick in unless it hits a floor. Right now, the fluid milk prices are at a particular level that we do not need to have the compact kick in, but if, in fact, things do not maintain that high level, the compact kicks in, so it is a floor. It is an insurance policy. Also, they have been able to see that the lack of reduction in farm families that occurred in the compact areas.

Mr. BALDACCI. Mr. Chairman, and Members of the House, I rise in strong support of the amendment to the Farm Bill proposed by my colleagues Mr. SHERWOOD, Mr. ETHERIDGE, and Mr. MCHUGH to extend and expand the Northeast Dairy Compact and to authorize the creation of other Interstate Dairy Compacts in other regions of the country.

I was disappointed that this important amendment did not receive a waiver from the Rules Committee yesterday to allow for a definitive up or down vote in the full House of Representatives. I would like to stress the importance of this amendment to dairy farmers in the Northeast as well as other states wishing to enter into their own dairy compacts.

As a member of the Agriculture Committee, I have worked diligently to help craft a Farm Bill which not only maintains current agriculture policy, but expands conservation and research to represent the changing values of American farmers. I believe that a critical part of our farm policy must be Interstate Dairy Compacts. The existing authorization for the Northeast Dairy Compact expired on September 30, 2001.

One of the highlights of this year's Farm Bill is a return to the counter-cyclical price support system to aid farmers when prices drop below a sustainable level. Dairy Compacts provide the ultimate counter-cyclical payment: farmers receive aid only when milk prices drop below the Compact Commission-established minimum. In contrast to other farm support programs, however, all Compact expenditures come directly from the milk producers themselves, therefore costing the taxpayers nothing. Compacts allow for regions to best set their own prices, similar to other programs which delegate pricing authority to state and local levels. Evidence has shown that over the life of the Northeast Dairy Compact, consumers in Compact states have seen a reduction in milk prices, while farmers have received more for their milk on average than those in non-Compact states.

Since the implementation of the Northeast Dairy Compact, there has been no overproduction of milk in the Compact region; in fact drinking milk consumption has outstripped production in New England during the Compact period. More to the point, a recent GAO study found the Compact structure to have little to no impact on price and production of milk in non-Compact states. We expect the same results from an expanded Northeast Compact and the new Compacts authorized under this amendment.

During the year 2000 alone, the Compact provided $4.8 million in assistance to Maine farmers, at absolutely no cost to the federal government. Through the benefits of the Compact, the rate of decline in the number of Maine dairy farms dropped from 16% to 6%. In short, dairy compacts save farms and allow for locally produced milk to reach consumers at a competitive price.

In addition to these statistics, we must also take into account the intangible benefits that Dairy Compacts can provide. Preservation of open space and conservation of land has become a key issue facing this Farm Bill.

Dairy Compacts protect open space by allowing farmers to receive competitive prices for their milk and remain in business. Wildlife habitat is saved from sprawl and intrusion by ever-expanding urban communities, and families have a chance to purchase locally-produced milk at a stable price. The importance of compacts cannot be understated, as evidenced by the number of states seeking to join one.

I understand that this amendment will not reach a final vote because of a point of order. It is my intention to work with my colleagues to find another vehicle by which to resurrect the Dairy Compact structure which expired September 30th. This is a program which is vitally important to dairy farmers in Maine and at least 25 other states. My colleagues who support the Dairy Compact and I will continue to press ahead to see that our farmers receive the assistance that they need and deserve. I ask only that the Compact be given a chance for a fair vote so that this issue can be resolved.

Mr. MCGOVERN, Mr. Chairman, I rise in support of the Sherwood, Etheridge, McHugh amendment to permanently authorize the Northeast Dairy Compact. This is a good program that is vital for dairy farmers in the northeast and southeast—farmers I represent.

The Northeast Diary Compact expired on September 30, 2001—merely 3 days ago. The House could have addressed this issue by allowing a debate and a vote on the compact at any point this year. Instead, the House and the other chamber decided to ignore the plight of dairy farmers.

Members of Congress from the Northeast and the Southeast have worked tirelessly to reauthorize the dairy compact and to extend it to help those dairy farmers who don't have the fortune of living in the Midwest.

The Northeast Dairy Compact is good, sound policy for my dairy farmers and for dairy farmers who live outside of Wisconsin and Minnesota. In the absence of a national dairy policy, the dairy compact is the only way for these dairy farmers to remain viable.

Dairy prices today are comparable to prices in 1978 and my farmers cannot stay in business with these low prices. The 270 dairy farms in Massachusetts received an average of $13,300 per farm in 2000. This total, $3.6 million in all, came at no cost to federal, state or local governments. Like farmers in other sectors of agriculture in other parts of the country, dairy farmers in the Northeast cannot succeed without help.

The Northeast Dairy Compact is not only a priority for dairy farmers but it is also a priority for conservationists. As we know, urban sprawl is diminishing our quality of life. By helping farms stay open, the Northeast Dairy Company has protected over 113,000 acres of open space from urban sprawl. Without the compact, we'll see open space turning into strip malls, WalMarts or parking lots. The Dairy Compact is good for the environment.

Mr. Chairman, the only action dairy compact supporters have asked for is an up or down vote on this issue. Our dairy farmers deserve the opportunity to have this issue debated fairly and to have the House express its support or disapproval for dairy compact. Dairy is a commodity and should be debated along with other commodities. The Farm Bill is the right place to have this debate.

Mr. Chairman, I want to take time to thank several Members who have been active on the Dairy Compact. Specifically, I want to thank former Representative Asa Hutchison for introducing the bill to permanently authorize the Northeast Dairy Compact and to form the Southeast Dairy Compact. I also want to thank Representatives DON SHERWOOD, BOB ETHERIDGE and JOHN MCHUGH for offering this amendment today. And I want to thank Chairman JIM WALSH and Representative BERNIE SANDERS, as well as the other Members in the Northeast and Southeast, for their hard work and commitment to the Dairy Compact.

On September 17, 2001, the Boston Globe editorialized on the Northeast Dairy Compact. I quote—''If Congress doesn't act by the end of this month, dairy farmers in New England will lose a regional price support system that has helped to keep many in business. The long-term effect will be loss of farms, farmland, and locally produced fresh milk.''

I urge the leadership of both parties to come together, schedule a debate and allow an up or down vote on the Dairy Compact This is the best we can do for all dairy farmers until we have a national policy.

Mr. BASS. Mr. Chairman, today I rise in support of the Sherwood Amendment to permanently extend the Northeast Dairy Compact. This Compact is critical to the survival of small dairy farms not only in my district in New Hampshire but also throughout the Northeast. Its operation provides a safety net for New Hampshire farmers, and it ensures a stable supply of fresh, local milk for consumers.

In my district, rural communities are profoundly affected by the survival of dairy farms, which provide jobs, purchase goods and services, and preserve dwindling agricultural land. The Northeast Dairy Compact has kept these farms in business for the good of farmers and consumers.

Dairy compacts neither cost the federal government nor allow retail milk prices to increase disproportionately. Congress should listen to the farmers, taxpayers, and the twenty-five states, which have passed compact legislation, and support the permanent extension of the Northeast Dairy Compact.

Mr. OBERSTAR. Mr. Chairman, I rise to express my strong support for the point of order to ensure that the proponents of the Northeast

Dairy Compact are not able to extend this unwise experiment in dairy policy.

Mr. Chairman, the current milk marketing system is complex and flawed, and the creation of the Northeast Dairy Compact has exacerbated the deficiencies of our national dairy policy. Dairy reform is needed, but we should not permit the continuation of the Northeast Dairy Compact, and we certainly should not allow an expansion of dairy compacts into other regions of the country.

I am greatly troubled that the supporters of the Northeast Dairy Compact are once again attempting to bypass the rules of the House to impose a regional milk cartel that has hurt dairy farmers in my congressional district and throughout the upper Midwest region.

The Northeast Dairy Compact initiative was inserted into the 1996 Farm bill conference report in violation of House rules and the proponents utilized midnight parliamentary tactics to create a milk regime that distorts the market and hurts consumers. While it is worth noting that the Northeast Dairy Compact proponents are here on the House Floor today during the light of day, they are here, nevertheless, to offer an amendment to this year's Farm bill that is in violation of House rules. The rules of the House are very clear that the jurisdiction of interstate compacts falls within the House Judiciary Committee, not the House Agriculture Committee.

Since this amendment to extend and expand this faulty compact is not germane to the Farm bill, it is incumbent upon the Chair to sustain the point of order and rule against this amendment. If my colleagues want this compact to continue, I would encourage them to follow the rules of the House and work with the Judiciary Committee.

□ 1200

POINT OF ORDER

Mr. GREEN of Wisconsin. Mr. Chairman, I will make my point of order.

The CHAIRMAN pro tempore (Mr. FOSSELLA). The gentleman from Wisconsin is recognized.

Mr. GREEN of Wisconsin. Mr. Chairman, at this point I stress the point of order that under clause 7 of rule XVI, this amendment is not germane. The amendment is not germane because all interstate compacts fall under the jurisdiction of the House Committee on the Judiciary, not the Committee on Agriculture. Therefore, the amendment fails to meet the jurisdictional test of clause 7 of rule XVI.

The CHAIRMAN pro tempore. Does any other Member wish to be heard on the point of order?

The gentleman from New York (Mr. SWEENEY).

Mr. SWEENEY. Mr. Chairman, I wish to be heard on the point of order.

Mr. Chairman, our dairy farmers are faced with extreme circumstances and have been for quite some time. Today in this House we have an opportunity to debate, discuss and vote on the single greatest source of relief for those people. It really, fundamentally, Mr. Chairman, is we are faced with a question of fairness in whether this House can deliberate openly and do the business of the people.

We are faced with an underlying bill that addresses all sorts of commodity issues, but for New York and the Northeast, we do very little as it relates to supporting dairy farmers and small dairy families.

I would like to point out, Mr. Chairman, that there is tremendous and substantial support, 165 Members representing 30 States from both sides of the aisle have co-sponsored this. Twenty-five states have asked this Congress to act and allow them the opportunity to move forward and develop compacts within their region.

The policy is very good. During these tough economic times while we are contemplating appropriating tens of billions of dollars for an economic stimulus package, here is a process, a program that will afford substantial parts of this Nation, a substantial sector in this Nation, economic relief without costing the Federal Government a dime.

As some other speakers have pointed out, Mr. Chairman, I would like to also say that there is a very important point that needs to be brought to light considering the recent events that we have faced in this Nation. Opponents have said the concept of regionalized dairy policy is an outdated concept. Unfortunately and sadly, due to the events of September 11, we now see that our transportation system cannot only be attacked but made vulnerable.

Consumers deserve a stable supply of local fresh milk. Local farmers are the best way to do that. This amendment offered by the gentleman from Pennsylvania (Mr. SHERWOOD) is an opportunity for this Congress to do something very positive and very forceful in that regard.

Let me say this, Mr. Chairman, that it is an important strategic need that we actually are debating today. One that we need to have brought to this floor today, and if not today, soon. My constituents demand it. We need a debate on the extension and expansion of regional dairy compacts. We need to show America that at the core of all of this, when so much interest and so many Members and so many States support this notion, this Congress is able to act.

The CHAIRMAN pro tempore. The Chair reminds Members that after the Chair rules on this point of order, Members may invoke the 5-minute rule to continue debate on this matter.

The gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Chairman, before the ruling, the germaneness issue here, is the charge being made that the dairy interest is not part of the agricultural interest? Is that the germaneness issue? That it does not belong in the debate even though we are talking about a 10-year reauthorization of the farm bill, that the dairy is not farm or not agriculture?

The CHAIRMAN pro tempore. The Chair will rule after argument is heard by the proponents and opponents of the point of order.

Mr. BALDACCI. Mr. Chairman, thank you.

The CHAIRMAN pro tempore. The gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, the point of order should be sustained. The rules of the House very clearly state that interstate compacts, regardless of the nature of them, fall within the jurisdiction of the Committee on the Judiciary. This bill is a bill that has been produced not by the Committee on the Judiciary, but the Committee on Agriculture, and consequently the amendment does not meet the jurisdictional test that is contained in clause 7 of rule XVI. The point of order should be determined to be well taken.

The CHAIRMAN pro tempore. The gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I would hope that as an act of comity, the gentleman who originally raised the point of order will withdraw it at this time so that Members who feel strongly about this issue will have a chance to debate a life and death issue for hundreds of thousands of family farmers in this country.

We understand the germaneness issue, but common courtesy would indicate that you allow many Members to come to the floor of the House and debate this issue. I do not know what my friend from Maine was going to ask the gentleman from Wisconsin, but I have the feeling that he may have asked him how many hearings were held on this issue despite the fact that 165 Members of the Congress, Democrats, Republicans, Independents, Conservatives, Progressives are fighting for this issue.

I think he might have asked the gentleman how many hearings were held when 25 States, half of the States in this country, voted to do something for their dairy farmers in supporting the dairy compact. We can argue the merits or the demerits of the dairy compact. It has worked. I am a strong proponent of it. It has helped save family farms. But the more important issue is basic fairness here on the floor of the House. How do you turn your back, especially, I might say, those who believe in devolution, those who say, let the States have power, how do you say to those 25 States who are seeing their family farmers go out of business, their rural economies suffering, how do you say to those people, you cannot even get a hearing on the floor of the House. You cannot even get a vote on the floor of the House.

If the Members are so sure of the righteousness of their our ideas, debate the ideas and bring a vote to the floor of the House.

Mr. Chairman, I would at least ask as an act of comity, may I have a dialogue with my friend who raised the point of order?

The CHAIRMAN pro tempore. Will the gentleman from Vermont suspend?

The gentleman will remember that the Chair controls the time on the

point of order, and members may not engage in colloquies.

Mr. SANDERS. Mr. Chairman, I do remember that. I would ask my friend, yield to him briefly, would he be so kind as to withdraw his objection at this time?

The CHAIRMAN pro tempore. Will the gentleman from Vermont suspend?

Mr. SANDERS. Mr. Chairman, I would just hope at least that we can continue this debate on such an important issue.

The CHAIRMAN pro tempore. The gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I would like to be recognized on this point of order.

The CHAIRMAN pro tempore. The gentlewoman is recognized.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I do not think it is as black and white as the gentleman from Wisconsin maintains. There is genuine ambiguity about the germaneness of this amendment.

Because while the statute the gentleman from Wisconsin (Mr. SENSENBRENNER) cites in terms of regional compacts is one consideration, the other consideration is that the agricultural bill and the Department of Agriculture do establish the whole milk marketing system, which is a market governance mechanism that if you were going to be consistent, should be under judiciary, if your point of order were to hold.

This is merely a variant of the milk marketing order to accommodate it to meet the goals that the Department of Agriculture has set for its milk marketing system, which goals that milk marketing system does not meet. The milk marketing system's goals were to assure regional production, but within that system were also mechanisms to prevent overproduction.

The national system is not working. This regional system is working. Under the national system, there was a 7.4 percent increase in production over the period of the compact, and in the region of the compact, production actually went down. Why? Because we have an incentive system that discourages overproduction. It is something the Federal Government has desperately tried to develop in every one of its ag subsidy programs and has failed.

Our incentives to control production, which is a Department of Agriculture goal, part of the milk marketing order policy contained in this ag bill is a goal that is better achieved through this adjustment to the milk marketing order system than through underlying national policy because it does adjust that policy for regional concerns and puts in place not only a system that can address supply, but one in which consumers are represented. So it is a far more democratic process than the Federal milk marketing order process.

So I would say that the issue of germaness is not black and white. It is ambiguous, and we have every much as good a case that this is germane as the gentleman from Wisconsin has that it is not germane, and what should influence the Chair is not only that ambiguity, but the fact that the Committee on the Judiciary has refused to give this matter consideration, to hold hearings, to give us our voice, to even bring it to the floor with a negative recommendation or choose one of the other processes available.

We should not be muffled. The interests of our people in national agricultural policy are very real, and this bill establishes national agricultural policy and has within it a market structure that is the market structure that we wish to adjust to regional interests. So I would say the issue is ambiguous, and I would urge the Chair to rule in favor of all those regions of the country that get no other benefit from the ag bill but would benefit in supporting the farm income in exactly the same way they want to support the income of other farmers under the ag bill.

So I urge Members' support of the Sherwood amendment.

The CHAIRMAN pro tempore. Does the gentleman from North Carolina (Mr. ETHERIDGE) wish to be heard on the point of order?

Mr. ETHERIDGE. Mr. Chairman, on the point of order, on the issue of jurisdiction and ambiguity, and I understand the Chair is getting prepared to rule, but Mr. Chairman, I would join the gentlewoman from Connecticut (Mrs. JOHNSON) who just spoke that there is enough ambiguity. We are looking at issues that 25 States have expressed their wishes, governors have signed the papers indicating their wishes to be a part of a compact, my State being one of those States that want to be a part of it.

We are seeing a loss in farmers. Twenty-five years ago in my State, there was 1,600 dairy farmers. Today, we have about a fourth of that figure. We are asking for trouble if we allow milk production to be consolidated into just a few small hands, and we have seen that, as you have already heard about what happened on September 11, continue.

We must take action to allow more small dairy farmers to survive, and compacts are a proven method to do that. We have seen that in the northeast. If my State of North Carolina were a member of a compact as were other dairy States in the northeast, their combined income would have been over $20 million in the year 2000, but instead they received 5.4 million in Federal dollars. They do not want the money from the Federal Government. They want to get it from the marketplace.

We write these farm bills because of the fluctuation in the marketplace. It has made it difficult for farmers to plan, and we are trying to help level it out as we should to help production in agriculture, but denying a vote on the no cost options to help dairy farmers when prices decline simply does not make sense.

That is what we are about. We are about a democratic body, expressing the wills and wishes of the people of this country. The northeast compact has shown that you can take the volatility out of the milk pricing, keep dairy farmers in business and provide a fresh supply of local milk at a fair price, all without costing the Federal Government a cent. We ought to be about that. That ought to be about what we are doing.

The compact establishes a floor, as you have already said. Producers, consumers and even processors play a role in determining the price. Some argue that compacts cause overproduction of milk which would then flood our class III producers, like cheese, and cause the prices of these products to decline, but that has just not happened in what we have seen in the northeast. In fact, last year, every compact State saw a decrease in milk production, except one, and that was Vermont which had an increase of only 2.8 percent less than the national average. That follows a similar decrease in production in 1999. We ought to be endorsing that. That ought to be what we are working about as a body here to help make a difference.

The northeast compact even provides incentives to farmers not to overproduce, and there is no reason why these incentives will not work in other parts of the Nation.

Some may also argue that the northeast compact has not stopped dairy farmers from going out of business in that region. Nothing in this underlying farm bill will keep every single farmer in business, regardless if they are in dairy, wheat or any other product. We understand that, but since the compact has been in place, the rate of closing of dairy farms in the northeast has decreased. If we would have had that in my State of North Carolina, I am convinced we would have more dairy farmers today and this country would be better off.

I could talk more about the benefits of the compact, and I hope as you consider your ruling, you will take this into effect, but Mr. Chairman, I believe if we deny a vote on this amendment, that will be most unfortunate, and the full debate of this House will not be had, and I would yield to my friend, the gentleman from New York (Mr. BOEHLERT) for a comment.

The CHAIRMAN pro tempore. The Chair will remind Members, the Chair controls the time on arguments regarding the point of order, and members may not engage in colloquies.

Mr. SANDERS. Mr. Chairman, he yielded. He did not yield back his time. He yielded to the gentleman from New York (Mr. BOEHLERT).

The CHAIRMAN pro tempore. The Chair will remind Members that the Chair controls the time on arguments both for and against this point of order. The Chair will remind Members as well, the Chair is entertaining arguments on the point of order. Members

may remain, after the ruling on the point of order, to debate the substance of dairy policy if so desired.

Does the gentleman from Minnesota (Mr. GUTKNECHT) wish to be heard on the point of order?

□ 1215

The CHAIRMAN pro tempore (Mr. FOSSELLA). Does the gentleman from Minnesota (Mr. GUTKNECHT) wish to be heard on the point of order?

Mr. GUTKNECHT. I would like to offer advice to the Chair.

The CHAIRMAN pro tempore. The gentleman is recognized.

Mr. GUTKNECHT. Mr. Chairman, clearly, listening to the debate now on this issue, it becomes clearer and clearer that the point of order is well taken. This is a debate about States' rights. We have heard that. That belongs in the judiciary, not the agriculture, bill.

Now, a lot of the arguments we have heard today I share the concern. I represent a lot of dairy farmers. They have had a lot of tough luck here the last several years. And we are all entitled to our own opinions, but we are not entitled to our own facts. Let me just remind Members of a couple of important facts that have been underscored by independent consultants that have looked at this.

The truth of the matter is we are losing dairy farmers at about the same rate in States that are in the compact as those States who are not. Now, we have heard these arguments this morning. We continue to hear them. Well, the dairy compacts will increase the amount of net income for dairy farmers, but it will not raise the price of milk; and it will not cost the taxpayers anything. Well, that sounds like the tooth fairy to me. The truth of the matter is, the only thing that we can honestly say that the dairy compacts have succeeded in doing is to divide the dairy farmers of the United States. That is a mistake.

At the very time that we need to speak with one voice about dairy policy, we are speaking with different voices. We have the Northeast, we have the Southeast, we have the people in the Southwest, we have the Upper Midwest and we have California; and they are all speaking a different language. They are all suffering the same consequence. We are losing too many dairy farmers. But creating these intrastate cartels makes no sense.

In terms of advice to the Chair, the reason that the 13 colonies came together, one of the reasons they came together was to prevent this very kind of thing from happening, from allowing one or two or several States to come together to gang up against the rest. One of the arguments the proponents forward is, well, we have 165 co-sponsors. Well, perhaps they can get even more States into their compact and they can get 300 cosponsors. That still does not make it right. The real issue is whether or not States ought to be able to come together to gang up on other States.

The net result to the Upper Midwest ultimately will be is that we will be pinched further and further and further. In Wisconsin and in Minnesota we are losing three to four dairy farmers every single day. And creating compacts in the Northeast or the Southwest or the Southeast is not going to change that. It is going to make matters worse. So the only thing this accomplishes is it divides dairy farmers at the very time we ought to be speaking with one voice.

A couple of years ago our colleague from Wisconsin read the formula by which milk prices are set for our dairy farmers under the milk marketing order system. It is the most convoluted system in the world. And the problem with the northeast dairy compact is it makes it even worse.

We ought to have national pooling. The cows in my district do not know where the milk comes from. The cows in my district do not know where the milk comes from or what it goes into. We have this unbelievable system in the United States right now. Creating compacts only makes it worse. It divides dairy farmers. That is the reason the colonies came together, to prevent this kind of thing from happening.

This amendment is not in order on this bill. Perhaps we should have the debate later, but let it work through the process in the Committee on the Judiciary.

The CHAIRMAN pro tempore. Does the gentleman from New York (Mr. HINCHEY) wish to be heard on the point of order?

Mr. HINCHEY. Mr. Chairman, I do wish to be heard on the point of order.

The CHAIRMAN pro tempore. The gentleman is recognized.

Mr. HINCHEY. Mr. Chairman, the assertion has been made that the idea of establishing dairy compacts is not germane to the agricultural bill, the farm bill that is presently on the floor of this House and being debated here. In order to believe that, we would have to be prepared to believe that the dairy industry is not part of American agriculture; that farm bills ought not to address themselves to the dairy industry; and that parts of the United States ought not to have the opportunity to participate, as they see fit, in the provisions of agricultural law made by this Congress. That, on its face, is an absurd notion.

The dairy compact ought to be recognized in the context of this debate; and we ought to have an opportunity, all of us, to be heard on it, and there ought to be a vote on it on the floor this afternoon in the context of the debate on this bill.

One of the escape hatches that the proponents of this theory have established for themselves is the idea that this ought to be taken up not in the context of agricultural policy but it ought to be taken up by the Committee on the Judiciary as a matter of law under the jurisdiction of the Committee on the Judiciary. Well, some of us might be prepared to accept that if there was any possibility whatsoever that the Committee on the Judiciary in this House would address itself to this issue during the course of this Congress, but there has been no evidence presented anywhere that the Committee on the Judiciary has any interest in taking up this bill.

So what the proponents of the agriculture bill and the proponents of this point of order would have us believe is, first of all, that dairy policy has no place in the farm bill; and that, secondly, they want us to believe the myth that the Committee on the Judiciary will take this issue up at some point in the future. Both of them are absurd. Both of them are false. Therefore, this point of order ought to be ruled against, and we ought to allow this amendment to be debated here on the floor this afternoon in the context of this 10-year agricultural bill.

The CHAIRMAN pro tempore. Does the gentleman from New York (Mr. BOEHLERT) wish to be heard on the point of order?

Mr. BOEHLERT. I wish to be heard on the point of order.

The CHAIRMAN pro tempore. The gentleman is recognized.

Mr. BOEHLERT. Mr. Chairman, I would hope that the individual raising the point of order would accede to the very reasonable request advanced by our colleague, the gentleman from Vermont (Mr. SANDERS), that the point of order at least be temporarily withdrawn so that we can discuss this issue in some detail on the floor.

I think it is only fair and prudent that we request that the people's House work the people's will. The people's House cannot work the people's will if we have unyielding response from the committee of basic jurisdiction. And, believe me, I have the hardest time explaining to anyone why the dairy compact legislation is not germane to the farm bill; that it is off on another committee, the Committee on the Judiciary. Hard time explaining that. People think that the farm bill should deal with farm matters, and I certainly agree.

The dairy compact will not cost the taxpayers a dime; not the Federal taxpayers, not the State taxpayers. What it does is allow farmers to help themselves. It gets away from the command and control notion that Washington is the source of all wisdom and should regulate everything and places faith and the fate of dairy farmers in the hands of State governments and the farmers themselves. And let me tell my colleagues that I have a lot more confidence in the farmers of America than I do a lot of bureaucrats in Washington, D.C.

Over 25 States have already, by overwhelming vote, approved legislation which has been then endorsed by each Governor, and it was not squeaky margins. The total vote was 5,405 for the dairy compacts and only 316 against. And then I have people come up and

tell me, well, if Congress passes the dairy compact legislation, it is going to mean that the price of milk might go up. Well, if we do approve the dairy compact legislation, there might be a penny or two a gallon increase in the price of milk. But I tell my colleagues, we live in a town that takes a poll every nanosecond. We poll everything. And poll after poll proves conclusively that the American people are sympathetic to the plight of the Nation's dairy farmers and would be willing to accept a modest penny or two a gallon increase in the price of milk if they were convinced that the money went to the people who need it, the dairy farmers themselves.

In my own State of New York, we have lost 2,133 farms since 1995, and those were figures current only as of the first of this year. My friend from Wisconsin talks about the plight of his dairy farmers. Well, I can assure him the same thing holds true for the dairy farmers of New York. They are going out of business one after another. That just should not be. If we continue on this road, pretty soon we will see an American landscape with one after another dairy farms out of business. We will have the concentration of all production in the hands of a very few mega-corporate farms. And guess what? They will dictate the price to all of us. Katy, bar the door. We do not want that.

And as a national security issue, and all of us are concerned about national security, particularly during these very difficult times, as a national security issue we should keep the small family dairy farms in business. If my colleagues are concerned about urban sprawl, and boy, everybody tells us how concerned they are about urban sprawl, think of what we do if we allow the continued demise of the family farm and force the family farmers to sell to the developers. All of America will be developed.

Let me close with this thought. I have so much more that I could say, but I think it was said best by a Wisconsin dairy farmer in the Nation's leading dairy farm journal, Hoard's Dairyman. He said, ''Compacts are a good thing overall. Support,'' he said, ''our brother and sister dairy farmers in the northeast and encourage compacts elsewhere. That is in the interest of fairness.''

We are not pitting a few States against a few other States. We are opening up the door of opportunity for all the States to do as they wish. I would strongly urge the offerer of the point of order to rethink that contention. And perhaps in the interest of comity, as suggested by the gentleman from Vermont (Mr. SANDERS), let us talk some more in the people's House about the people's will.

Mr. OBEY. Mr. Chairman, I wish to address the point of order.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The gentleman will confine his remarks to the point of order and is recognized.

Mr. OBEY. Mr. Chairman, I want to say that I think the Chair has been most generous in allowing Members to range beyond the focus of the point of order. Obviously, the point of order raised by the gentleman from Wisconsin is correct, because the committee which is considering this legislation does not have jurisdiction with respect to the issue of compacts.

With respect to the question of hearings, Mr. Chairman, I would point out that I find it quaint that somehow the gentleman from Wisconsin (Mr. SENSENBRENNER) is being questioned for the lack of hearings held by the Committee on the Judiciary, when in fact the entire compact arrangement was imposed on the country without ever having had a hearing in either House, and, in fact, without having a vote in this House. The history demonstrates that the only vote that occurred was in the other body, and the other body turned down the proposition of compacts. Then somehow, through the process of immaculate conception, we wound up getting dairy compacts in a conference report in violation of the rules of both Houses.

So it seems to me it is time to uphold the rule of the House. After that has been done, Mr. Chairman, then I would hope that we could bring the regions of the country together on this issue, as we are trying to bring all parties in this country together on a wide variety of issues in light of what happened the last 3 weeks. And I would hope that we could actively pursue some kind of a compromise on this issue. I know the gentleman from Vermont (Mr. SANDERS) has been working to try to develop a framework around which we might be able to achieve some regional togetherness, for a change, which I think would be a healthy development.

□ 1230

Mr. Chairman, very clearly without getting into the merits of the issue, it was clear from the beginning when compacts were imposed on the country through an egregious violation of the rules of both Chambers, and right now it is clear under the rules of this House that this amendment is not germane; and, therefore, the gentleman's point of order should stand.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington.) For what purpose does the gentleman from Pennsylvania rise?

Mr. PETERSON of Pennsylvania. Mr. Chairman, I rise to speak on the point of order.

The CHAIRMAN pro tempore. The gentleman is recognized to speak on the point of order.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I rise to make the statement that if milk marketing belongs in the Committee on the Judiciary, then missile defense belongs in the Committee on Agriculture. How many staff people on the Committee on the Judiciary know anything about agricultural marketing systems?

There is nobody, and there should not be anybody. To use a stretch of the rules, to use a technicality to deprive this House of a debate of one of the most important farm issues facing this country is wrong. For this House not to have the right to debate this issue up or down is wrong. It is unfair.

Just last week in response to a terrorism act, we spent billions on American airlines to help them. This bill gives millions to corporate, rich farmers to help them. An amendment yesterday that I supported that limited that help to $150,000, which is pretty sizable, was defeated. Wrongly, but it was defeated.

The most important issue facing this country, dairy, what is in this bill to help it? Not a dime. Not a word. Not any guidance, and that is wrong.

This House needs to debate agricultural issues with the agricultural bills before this House, not in the Committee on the Judiciary. Dairy farmers are fighting for their life for a stable market, a stable market. It is the most wholesome natural food we have. I have a perspective that is different than most of my colleagues. I was a supermarket operator for 26 years. I sold food for a living.

Mr. Chairman, I understand the food distribution system. And we have the safest system in the world; the most cost-effective system in the world; and we give the best, purest products to our people. When our people go to our supermarkets and come home, they have fresh products because we have the best system in the world.

Yes, milk is very reasonable. You can buy it for $2.50 a gallon. It is often cheaper than soda which is flavoring, soda water, and sugar. Milk is often cheaper than the juice drinks which are a little bit of juice and a lot of water and sugar.

Yes, when my colleagues go to convenience stores, they pay $1.90 for a 16-ounce or 20-ounce bottle of water. More expensive than milk. Can we not be put in the Committee on the Judiciary? Can we have this issue before us as part of the agricultural issue to develop a marketing system that is fair? That allows our farmers to have a stable price.

It is okay for the moment, but for 2 years our dairy farmers produced milk at less than what it cost. For 2 years, not 2 months, not 3 months; and it has put thousands of them out of business. The Northeast Dairy Compact had a steadying effect upon farms with fewer farms lost in compact States after the initiation of the compact.

A new policy is needed to address the complete failure of our current dairy policy. Dairy compact legislation has passed in 25 States. Dairy compacts return power to the States over fluid milk.

We must make sure that we allow a stable supply of milk and dairy products throughout this country, that we are not hauling them from coast to coast. We need regional dairy supplies, and the dairy compact legislation will allow us to work towards that.

Consumers are not stuck with higher prices in compact States. OMB and others found that price surveys show that compact retail prices are more stable and not more expensive to the consumer. We just want a fair debate on an agricultural issue with the farm bill in front of us.

I urge Mr. Chairman to rule that this issue stays before the Committee on Agriculture where it belongs.

The CHAIRMAN pro tempore. For what purpose does the gentlewoman from North Carolina rise?

Mrs. CLAYTON. Mr. Chairman, I rise to speak on the point of order.

The CHAIRMAN pro tempore. The gentlewoman is recognized to speak on the point of order.

Mrs. CLAYTON. Mr. Chairman, I would like to speak to the point of order, and also to say that we certainly can use a point of order when we want to.

The gentleman from Pennsylvania (Mr. PETERSON) discussed the incident where we considered the appropriation for aviation. That did not go through any committee. Members understood the urgency of waiving the point of order so we could respond to the urgency of the airline industry.

Well, I have come to say that the point of order should not stand in the way of us responding to the urgency of our dairy farmers. They have the same urgency. There needs to be some vote up or down. We should have a right to at least debate it.

The whole issue, one of my colleagues said that this is unconstitutional, that is a bogus argument. It has been tried in the State court of New York and the Federal courts, and they say the compact is constitutional. So the issue that we are putting together something that is going to bar trade does not do that. It does not violate that trade barrier.

Mr. Chairman, we need to find a way where agricultural issues that have the same urgency that the people of that industry suffer, just like the airline industry, at least we ought to be able to give them the right to discuss it.

Furthermore, Mr. Chairman, when we have rules of the House that can defeat public debate, the Chair is required to ensure that the Chair has not stifled that debate by ensuring there will be full hearing in the House. Now, I do not know if that has been discussed. Have you inquired whether the Committee on the Judiciary plans to have a hearing any time in the next 14 months?

The CHAIRMAN pro tempore. The Chair will rule on the point of order after hearing the arguments on the point of order.

Mrs. CLAYTON. Mr. Chairman, can I ask in the ruling on the point of order, if the point of order is going to be insisted upon, there ought to be a corresponding responsibility that the Committee on the Judiciary will indeed have the obligation of hearing it? Can I ask that?

The CHAIRMAN pro tempore. The Chair will rule on the germaneness point of order that has been raised by the gentleman from Wisconsin. The Chair will go no further than ruling on that point of order.

Mrs. CLAYTON. Mr. Chairman, the germaneness is based on the House rule?

The CHAIRMAN. The Chair will rule after the Chair hears the arguments on the point of order.

Mrs. CLAYTON. My point is that I do not know how the Chair can sustain a point of order based on the House rule that there is committee jurisdiction or there is exclusive jurisdiction unless the Chair is asserting that that particular committee that claims that jurisdiction plans to pursue that responsible role. Otherwise, the Chair is part of the frustration in denying a full debate on the issue.

The CHAIRMAN pro tempore. The Chair will advise Members there has been a great deal of discussion regarding the point of order. The Chair will listen to two more Members on the point of order, and then the Chair is prepared to rule having heard the arguments.

The Chair will advise Members that they may stay after the ruling of the Chair and seek recognition to speak to their hearts' content on the dairy issue regardless of the Chair's ruling.

For what purpose does the gentleman from New York rise?

Mr. REYNOLDS. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN pro tempore. The gentleman is recognized.

Mr. REYNOLDS. Mr. Chairman, I serve on the Committee on Rules which has the responsibility of technically looking at claims of jurisdiction, waiving points of order, and other considerations relative to the farm bill this year.

We know that it is an open rule. We recognized that the chairman of the Committee on the Judiciary wrote a very clear cover letter on the history of jurisdiction and the judiciary responsibility over dairy compacts, and he stated that case in his letter. The Committee on Rules stood by that as no waivers or points of order were made on the legislation.

So we have it before us today with a point of order that gets down to family farmers, not technical decisions of the House of Representatives. As some of my colleagues eloquently said before me, September 30 expired the Northeast Dairy Compact. Those farmers in the existing compact and those from my State that have the ability to make the drive into that compact no longer have the compact in existence.

So when we look at jurisdiction and the aspect of respect of jurisdiction, particularly as this legislation has had that history since being referred there by the parliamentarian in the 1990s when the compact concept came before us, that is a tough thing to explain to my farmers in New York.

Mr. Chairman, I represent the largest dairy-producing county in New York. I cannot tell them why I cannot get an up-or-down vote on farm policy that affects their very livelihoods. In a 10-year period, the number of dairy farms in New York drastically dropped from 13,887 to only 8,700, a loss of more than 5,000 family farms. Though dairy farms are going out of business at a rate of 36 percent a year.

Compacts would help save the farm lands in rural communities, and the family farms need the assurance of stable milk prices which the compact provides. Dairy compacts will make certain that the bottom does not fall out on the dairy market. That has been the message of the tough deliberation on the concept of dairy compacts that were brought before the State, as Farm Bureaus, county by county decided to support it years ago.

Today when we look at jurisdiction, which no one can explain back home why the farm bill will not allow with 165 cosponsors of the legislation calling for dairy compacts throughout the country, if those States so desire, why there is not an up-or-down vote.

Mr. Chairman, I implore the gentleman who has raised the point of order that we look at the possibility of that happening today, and pleas from across the country; or, that we begin to look at when I can look my farmers in the eye in New York and tell them there will be a vote on the will of the Congress based on the dairy compact legislation. Either it will pass or it will not, so we know where we go from here. But not to have a vote, as the dairy compacts have expired on September 30, and find us today debating a farm bill on the 2nd day, and not having the ability to use a commonsense approach of an up-or-down vote on the will of 165 cosponsors of this House, is something that no one can explain outside of the House of Representatives.

Mr. Chairman, I implore consideration if not today, tomorrow or the next day, but that we proceed with hearings and a vote of finality up or down on dairy compacts by this House.

The CHAIRMAN pro tempore. For what purpose does the gentleman from Maine rise?

Mr. ALLEN. Mr. Chairman, I rise to speak to the point of order.

The CHAIRMAN pro tempore. The gentleman is recognized.

Mr. ALLEN. Mr. Chairman, the decision before the Chair on the point of order is vitally important. As the gentleman from New York said, this will be tough to explain to people in Maine because I believe, as they believe, that the issue dealing with the dairy compact has to be germane to the farm bill. Any other conclusion, it seems to me, is unexplainable.

As the gentleman from New York just said, the Northeast Dairy Compact just expired on September 30. When that compact was created in 1997, the goal was to provide dairy farmers in the Northeast with some modicum of

price stability and consumers in New England with some stability in retail milk prices.

Mr. Chairman, 4 years later those goals have been achieved, and the compact should be allowed to continue. What do I say to consumers in Maine, dairy farmers in Maine. Well, the dairy compact, the future of the dairy industry in my home State of Maine is a matter that needs to go before the Committee on the Judiciary where there is not the expertise to deal with it. That will not wash. That will not wash in Maine, and it will not wash anywhere in the Northeast.

□ 1245

Ray and Tina Ellsworth in Sabattus, Maine wrote to my office just last week, saying that without the dairy compact, they will not be able to afford to milk their cows. What do I tell Ray and Tina Ellsworth? ''Well, this is a matter that needs to go to the Judiciary Committee. They don't have the expertise on the Judiciary Committee. The expertise is on the Agriculture Committee.'' But somehow they will not understand that kind of reasoning.

Maine consumers have very simple requests. They want a reliable source of fresh milk, and the dairy compact makes that possible. The dairy compact protects farmers. It costs taxpayers nothing. It does not lead to overproduction of milk. This is a case where we have been able, through the compact in the Northeast, to satisfy our dairy farmers, to protect our consumers and provide stability.

The last thing I would say is, well, two things. First of all, the desire for dairy compacts around the country is well known. Twenty-five States have passed legislation. This is a direction that makes sense for farmers and for consumers. But in the State of Maine, we have got our potato industry, which is smaller than it used to be. The chicken farms are all gone. We have got some roadside stands. Agriculture in Maine outside of potatoes has almost everything to do with dairy. That is all we have got, 460 dairy farms. That is it. If we lose this dairy compact, those farms are in severe jeopardy. They probably, most of them, will not be able to continue. And it is a travesty for us not to be able to come to the floor of this House and have a vote, up or down, across the country on this issue.

Mr. Chairman, you have the matter before you, but I urge you to reject the point of order.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The Chair has heard the entire argument and is prepared to rule. The debate on the merits of the point of order has been going on now for nearly an hour, and so the Chair is prepared to rule. But the Chair would also remind Members that under the rules providing for consideration of this bill, Members can speak under the 5-minute rule on the merits of dairy compacts after the point of order has been dispensed with.

The gentleman from Wisconsin raises a point of order that the amendment offered by the gentleman from Pennsylvania is not germane.

The bill, H.R. 2646, is a comprehensive agriculture bill. It addresses programs covering nearly all of the subject matters within the jurisdiction of the Committee on Agriculture. In addition to a comprehensive treatment of agricultural law, it also addresses the subject matters of human nutrition, forestry, and rural development, matters within the jurisdiction of the Committee on Agriculture. H.R. 2646 was referred to and reported by the Committee on Agriculture. It also amends programs addressing the foreign distribution of agricultural commodities, a matter specifically excepted from the jurisdictional statement of the Committee on Agriculture in rule X. On this basis, the bill was sequentially referred to and reported by the Committee on International Relations.

The amendment would place additional terms on an existing dairy compact and provide the consent of Congress to three new compacts. As stated in clause 1(k) of rule X, ''Interstate compacts generally'' fall within the jurisdiction of the Committee on the Judiciary. The jurisdictional origin of the compact is traced to the Constitution. Article 1, section 10, clause 3, of the United States Constitution provides that ''no State shall, without the consent of Congress, enter into any agreement or compact with another State, or with a foreign power.'' Congress' consent is required in order to prevent interstate agreements and compacts from harming nonparty States or conflicting with Federal law or Federal interests. The Chair would note that a bill in this Congress, H.R. 1827, had similar text to the amendment and was referred solely to the Committee on the Judiciary.

Clause 7 of rule XVI, the germaneness rule, provides that no proposition on a ''subject different that from that under consideration shall be admitted under color of amendment.'' One of the central tenets of the germaneness rule is that an amendment should be within the jurisdiction of the committee reporting the bill. This principle is recorded on page 682 of the House Rules and Manual. This principle is not the exclusive test of germaneness where the proposition being amended contains provisions so comprehensive, through amendments to other laws, as to overlap several committees' jurisdictions. The Chair would note a relevant precedent.

On October 8, 1985, the Committee of the Whole was considering an omnibus agriculture bill that included provisions that were added by floor amendments amending other laws within the jurisdiction of the Committees of Energy and Commerce, Merchant Marine and Fisheries, Ways and Means, and Foreign Affairs. The Chair held that an amendment conditioning eligibility in price support and payment programs upon furnishing agricultural employees with certain labor protections, within the jurisdiction of the Committee on Education and Labor, was germane. This precedent is memorialized in Deschler-Brown Precedents, volume 10, chapter 28, section 4.67.

While the pending bill is a comprehensive agriculture bill, it does not amend laws within the jurisdiction of several committees, as was the case with the 1985 precedent.

The amendment offered by the gentleman from Pennsylvania falls outside the jurisdictions reported in the pending text. The Chair finds that the sweep of those jurisdictions, those of the Committee on Agriculture and the Committee on International Relations, is not so broad as to render that test of germaneness invalid.

The Chair therefore holds that the amendment is not germane. The point of order is sustained.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to speak to this issue. I do not have a dog in this fight on dairy farmers, but it is about the rightness. It is about the rightness to allow a vote in the People's House. The chairman of Judiciary is against dairy compacts. It is ridiculous. That is why they want it referred there, because it will never see the light of day in Judiciary. He will kill it and stop this body from having a fair vote on the issue.

The same issue happened with H.R. 218. We had 372 votes in this House on both sides of the aisle and the chairman is opposed to that and he killed it. He fired one of his staffers because they brought it up. And even yesterday in a mark, let me be careful in my words, members of his own committee were strongly told not to offer the amendment.

That is wrong, Mr. Chairman. For one person, one chairman, to have that power to stop the people's will, either on H.R. 218 or this dairy compact, is wrong. I will sign, which I oppose most of the time, a discharge petition to bring it up just to bring a vote to this floor.

Mr. SHOWS. Mr. Chairman, I move to strike the last word.

I rise in strong support, too, of the Sherwood-Etheridge-McHugh amendment. I am proud to discuss this matter because it needs to be voted on, dairy compacts, on this House floor.

This amendment reauthorizes a program that works, one that benefits farmers and consumers alike. I have heard a lot of talk how it has not worked in some parts of the country, but according to all my facts, it has worked in the northeastern United States and we need it in the southeast. It does not cost taxpayers anything. Payments to support dairy producers in times of need come from the milk market itself and outside of the compact support themselves.

From the Northeast Dairy Compact, we have learned that a compact among

dairy producers will not cause overproduction. We know that rural America is going broke today, and we know that rural America in Mississippi and especially our agriculture community is going out of business. A southeast dairy compact could help keep our farmers in business.

We have also learned from compacts that they do not increase prices for the American consumer. For example, while the Northeast Dairy Compact provides a safety net for milk producers, the compact is required by its charter to see that retail milk prices do not increase disproportionately. Studies also show that the compact does not create a trade barrier or hinder trade of products from other parts of the country. In fact, in the Northeast Dairy Compact, trade increased by 7 percent after 1 year.

Finally, the compact does not affect Federal programs for the poor. In fact, the compact commission, by law, reimburses the most important Federal nutrition programs.

Let us reauthorize a system that works and allow other States to join together to stabilize the dairy farmer, dairy industry and protect the American consumers. Farmers and communities like Walthall County and Tylertown, Mississippi need this legislation. In Mississippi, we had 700 dairy farmers 6 years ago. Now we are down to 300. This compact will help keep them in business.

Mr. VITTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise, too, in strong support of the dairy compact concept, the freestanding bill, this amendment which had been offered on the agricultural bill, the farm bill. The opposition to the dairy compact clearly had the right to bring their point of order, and they did that and they did it successfully. But we just do not all have rights, we have responsibilities, too. They have a responsibility, and this whole body has a responsibility, to face and debate and vote on an issue which is so important to so many American communities.

This compact legislation has existed for some time with very significant bipartisan support. It goes to the heart, the backbone of so many communities, in the Northeast where there has been a compact, in the Southeast, my part of the world, where we desire a compact, and other parts of the United States. Yet any vote, any vote whatsoever on the entire concept, has been blocked time and time again through procedural hurdles and often the will of single individuals. So we can talk about rights and points of order, but we also must talk about responsibilities. It is all of our responsibility and it is the responsibility of this body to act and vote on this issue of vital importance.

In Louisiana, which I represent, dairy farmers are going out of business every week. About 80 percent of all dairies in the State are in my part of the State in my district. And every week they are going out of business. They are going out of business because of the extreme volatility at times of milk prices. What the compact is designed, very well designed, to do is stabilize, do away with those huge peaks and valleys, stabilize that lay of the land, not as we so often do in the area of agriculture with buckets of taxpayer dollars, but within the milk industry itself. And this is not some wild theory, some wild model. This is a plan that has successfully been put in place specifically in the Northeast.

We have concrete and specific history and record to go on. And what is that history? It is not some dramatic increase in milk prices. It is either a modest, slight increase or no increase at all, because the price of milk in Boston is lower significantly than in many other parts of the country.

So this can work. This can help dairy stabilize their future. This can do all of that without giving any shock to consumers. And it is needed, not just by dairies but by communities, because the dairies, because the agricultural part of those communities are often the backbone, the spirit of those communities, in the Northeast, in the Southeast and elsewhere around the country.

Let me end where I began, by asking those opponents of the dairy compact to not just consider their rights to a point of order or anything else but to join us as we all consider our responsibilities. We have a responsibility to debate this issue, and we have a responsibility to have a vote on this issue. We need that vote. We need that debate. We cannot simply go on forever and never have any vote on the issue. That is just flat out ridiculous when there is such wide, significant and bipartisan support for this significant legislation.

Ms. BALDWIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have heard a lot from representatives who clearly are articulating with great passion for their own constituents, their own farming constituents. But make no mistake about it, if you utilize this tool, these interstate dairy compacts, to help your farmers, you are hurting the ones I represent. And any extension or further expansion of dairy compacts will hurt the farmers I represent even more.

We must find a dairy policy that helps all dairy farmers in this country, not just regional interstate dairy compacts that help some.

□ 1300

There are hard-working Members of this Congress who are seeking to do that. I hope that we will have a debate later on a germane amendment to this bill that seeks to do precisely that. But, unfortunately, the reason this was not germane is because we are using a very archaic tool in the form of interstate dairy compacts in order to achieve something that should be achieved in another manner, a way to help all dairy farmers.

I serve on the Committee on the Judiciary and its Subcommittee on Commercial and Administrative Law, and I wanted to respond to the comment that there might not be the sufficient expertise on that committee to deal with this issue. The gentleman who just spoke from Louisiana and myself both represent dairy farmers. We both sit on that subcommittee and sat on it last year when we spent almost 7 hours dealing with this issue in markup and debate. The committee has dealt with this issue.

As to those who have made comments about the necessity for a debate and a fair vote on this floor on the compacts, I just want to remind you how we got compacts in the first place, because my constituents never got a fair debate or a fair vote when compacts were first approved. When it was stuck into a conference committee report in the middle of the night, that issue was never debated on this floor; it never got a vote. My constituents have suffered from the results of that.

I feel I have a responsibility to them, and I take that responsibility very seriously. We have got to find another way to help all dairy farmers and the dairy industry in these United States, other than interstate compacts.

Mr. MCHUGH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all, I want to pay a compliment to the chairman of the full committee, the gentleman from Texas (Mr. COMBEST), and the ranking member, the gentleman from Texas (Mr. STENHOLM). They found themselves in a very difficult position on this issue in that they do not have technical jurisdiction; and the gentleman from Texas (Mr. COMBEST), from my personal perspective, was very gracious in bringing some of us in and trying to work a way through this very difficult question and one over which, as the Chair has so, may I say, Mr. Chairman, eloquently and very thoroughly reviewed and ruled on the technicality of germaneness.

But I want to associate myself with the words of the gentleman from Louisiana, who spoke at this very podium a few moments ago with respect to the great difference between technical rights and responsibilities. Several Members today, including the gentlewoman who preceded me, have spoken accurately about the fact that the current compact came about in ways which, in their perspective, was not adherent to the normal practices of this Congress, certainly this House. As I said before the Committee on Rules not so many hours ago, that is an issue on which we all agree.

I have been involved with the compact since my days in the State senate in 1985, where I was fortunate enough, from my perspective, to have the opportunity to help write the first version of that; and I can tell you that

I have no joy in the fact that the Northeast Compact exists as it does today through the process that was followed.

But I would say to the gentlewoman, and I would say to my friend, the gentleman from Wisconsin (Mr. OBEY), who also accurately noted the process to create this dairy compact, how can you say and complain about no debate, and then act very deliberately today to prevent the debate?

There are a lot of things that are points of disagreement on merits. We have heard a lot of, as I have heard so many times in the past, Mr. Chairman, claims that are laid as fact that are simply untrue; claims of effects on consumers, where reports from OMB, reports from the USDA, reports from various ACNielsen scanner data, and on and on and on, have rejected those arguments. We have heard about consumer impacts that are certainly and without question unfounded, and on and on and on.

As much as I would not just welcome, I would relish the chance to engage in a debate on those merits so we can lay out the facts and let Members decide to vote as they will, we are precluded again this day.

Speaking now as more of a plea, Mr. Chairman, I take no joy as well in the very fact that, as has been related here today, and giving credit to the gentlewoman from Wisconsin about the pain that dairy farmers are feeling across this Nation, including her State and her region, and, as I have been saying on the floor of this House now for at least the past 4 years, I very much want to work with any Member to try to do everything we can to help all dairy farmers, because they are alike, they are hard-working individuals, they need assistance, and, frankly, we need to help them, because they help us so much.

But the inability for those of us to have the opportunity on the floor of the people's House for just a debate and just an honest, open vote to decide this issue, creates frustration that I doubt few can truly comprehend.

It is with great sadness I stand here today, Mr. Chairman, but with no animosity, and, again, with a plea to those who are in a position to effect a change in the developments of this day, that we be provided that opportunity as Members rightfully elected from our individual districts.

In closing, again, a word of appreciation and friendship to the chairman and the ranking member.

AMENDMENT NO. 32 OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. EDDIE BERNICE JOHNSON of Texas:

At the end of Subtitle C of title VII (page 313, after line 10), insert the following new section:

SEC. ___. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.

(a) GRANT PROGRAM.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) PARTNERSHIPS.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall be an historically black or land-grant college or university, an Hispanic serving institution, or a tribal college or university that has agriculture or the biosciences in its curricula.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(d) USE OF FUNDS.—The activities for which the grant funds may be expended include the following:

(1) Enhancing the nutritional content of agricultural products that can be grown in the developing world to address malnutrition through biotechnology.

(2) Increasing the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing through biotechnology the yield of agricultural products that can be grown in the developing world that are drought and stress-resistant.

(4) Extending the growing range of crops that can be grown in the developing world through biotechnology.

(5) Enhancing the shelf-life of fruits and vegetables grown in the developing world through biotechnology.

(6) Developing environmentally sustainable agricultural products through biotechnology.

(7) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products.

(e) FUNDING SOURCE.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary of Agriculture shall use $5,000,000 during each of fiscal years 2004 through 2008 to carry out this section.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise to offer this amendment for myself, the gentleman from New Jersey (Mr. PAYNE), and the gentlewoman from California (Ms. WATSON) to encourage research and development of agriculture biotechnology with respect to the developing world.

Agricultural biotechnology offers innovative solutions to some of the most intractable problems facing the developing world, such as hunger, malnutrition and disease. Many of us are familiar with the newly developed strain of golden rice that was developed by plant scientists to have increased vitamin A and iron content. Vitamin A deficiency causes more than 1 million childhood deaths each year, and is the single most prevalent cause of blindness among children in the developing world.

Golden rice is only the beginning of the potential benefits of biotechnology for the developing world. Biotechnology can help developing countries produce higher crop yields while using fewer pesticides and herbicides, and can also promote sustainable agriculture, leading to food and economic security. By increasing crop yields, the amount of land that needs to be farmed is reduced.

Biotechnology can also improve the health of citizens of developing countries by combatting illness. Substantial progress has been made in the developed world on vaccines against life-threatening illnesses; but unfortunately, infrastructure limitations often hinder the effectiveness of traditional vaccination methods in some parts of the developing words. For example, many vaccines must be kept refrigerated until they are injected. Even if a health clinic has electricity and is able to deliver effective vaccines, the cost of multiple needles can hinder vaccination efforts. Additionally, the improper use of hypodermic needles can spread HIV, the virus that causes AIDS. Biotechnology offers a prospect of orally delivering vaccines to immunize against life-threatening illnesses through agriculture products in a safe and effective manner.

Because of the immense potential of agriculture biotechnology to help solve some of the developing world's most serious problems, I am offering this amendment that will establish a grant program under the Secretary of Agriculture to encourage research and development of agriculture biotechnology with respect to the developing world.

The amendment calls for $5 million per year for 5 years, beginning in fiscal year 2004. Eligible grant recipients include historically black colleges and land grant colleges or universities, Hispanic serving institutions, and tribal colleges and universities. Nonprofit organizations and a consortia of for-profit institutions with in-country research institutions are also eligible. Grants will be awarded on a competitive merit-reviewed basis.

I feel that this effort will go a long way in helping to provide food in an independent manner for our developing countries, as well as combatting disease.

Mr. COMBEST. Mr. Chairman, will the gentlewoman yield?

Ms. EDDIE BERNICE JOHNSON of Texas. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentlewoman yielding, and I appreciate her leadership on this extremely important issue.

Certainly agricultural biotechnology, such as golden rice, which is a product with enhanced vitamin A, already is

being used to solve problems of childhood blindness among cultures whose diets are heavily dependent upon rice but would normally be deficient in this important vitamin; and I think this is just one example of some of the benefits that can come from biotechnology.

As I believe our staffs have discussed, there are some technical issues regarding the structure of the amendment which we would like to work with the gentlewoman on as we proceed through conference. The gentlewoman has been very agreeable to do that, and I appreciate that.

I will just say that the committee is prepared to accept the amendment.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, reclaiming my time, I thank the gentleman very much, and thanks also to the ranking member for his hard work on this bill. I ask for support for this measure.

Ms. SLAUGHTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to go back to the dairy compact. I do want to talk about the sadness that I feel about what has happened to the Northeast area compact. I understand the ruling, and we were pretty sure before we got here that it was going to be ruled out of order. But I do nonetheless want to strongly express my support for this amendment.

It seems that the Congress giveth and the Congress taketh away; and once again, the dairy farmers that I have been working with in the 15 years I have been here are going to be in serious trouble once again.

The dairy compact has been instrumental in helping dairy farmers not only in New York. We are not selfish enough to ask for anything just for ourselves. But it helps people across the country, because all they do is establish a minimum safety net price to be paid to dairy producers on Class I milk only.

Just as milk does the body good, the dairy compact does the economy and the dairy farmer good. Dairy is important to the entire Northeast and the rest of the country because of the economic contributions it makes, both in dollars and jobs. Without the Northeast Dairy Compact, thousands of dairy farmers will be forced out of business and consumers will suffer increased prices as a reflection of the forced transportation costs.

In addition to helping family farmers stay afloat, the Northeast Dairy Compact has helped save farmland that would have normally been lost to urban sprawl. For many of us, there is nothing more heart breaking than seeing wonderful farmland and dairyland going under the bulldozer. As a sign of odd bedfellows, both dairy farmers and environmentalists have come together to support dairy compacts.

Again, I am proud to join my Northeast colleagues in support of not only continuing the Northeast dairy compact, but expanding it.

Ms. WATSON of California. Mr. Chairman, I rise in support of the Johnson-Payne-Watson amendment to H.R. 2646 the ''Farm Bill''. This amendment establishes a grant program under the Secretary of Agriculture to support research and development of American programs in agricultural biotechnology. Information provided by these programs can address the food and economic needs of the developing world.

Biotechnology can help developing countries produce higher crop yields while using fewer pesticides and herbicides. Biotechnology can also promote sustainable agriculture, leading to food and economic security. Biotechnology offers the prospect of delivering vaccines to immunize against life-threatening illnesses through agricultural products in a safe and effective manner. Advances in biotechnology can overcome the infrastructure and cost limitations faced by traditional vaccination methods in the developing world.

One obstacle for biotechnology in the developing world is the capacity of scientific organizations and public funding for agricultural research. For example, Africa's crop production is the lowest in the world. 200 million people on the African continent alone are chronically malnourished. Increased funding for international programs from the United States would have a great impact on the problem. Eligible grant recipients include historically black colleges and universities, land grant colleges, Hispanic-serving institutions, and tribal colleges, or universities. Non-profit, for profit, and other in-country agricultural research centers are also eligible.

Mr. Chairman, I encourage my colleagues to vote for vitamin-enhanced foods, higher in protein, fruits and vegetables with longer shelf lives, reduced rate of habitat destruction, increased crop yields and sustainable agriculture. These are just a few benefits that would result from the $5 million per for 5 years, beginning in fiscal year 2004. Vote ''yes'' on the Johnson-Payne-Watson Amendment to H.R. 2646.

The CHAIRMAN pro tempore. Is there any Member that wishes to speak on the amendment of the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON)?

If not, the question is on the amendment offered by the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

The amendment was agreed to.

Mr. GILCHREST. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have a comment about the dairy compact. The dairy compact should be extended during the renegotiation of the process while we deal with the issues of stabilizing the infrastructure, the important infrastructure, that supports not only the dairy industry at large, but, more importantly, the farm, the dairy farm, in many places where you find it around the diverse landscape of this Nation.

Mr. Chairman, I yield to the gentleman from New York (Mr. WALSH).

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Mr. WALSH. Mr. Chairman, I thank the gentleman for yielding and for speaking in favor of the Northeast Dairy Compact.

I rise today also in support of the compact for a number of reasons. As I stand here today, approximately 11 years after offering my first amendment as a Member of Congress to the 1990 Farm Bill, a dairy provision, I never envisioned that it would be this difficult to get a vote on an issue of such great importance to the farmers not only of my district, but throughout the country.

As many of my colleagues wait in anticipation of an up-or-down vote on the extension and expansion of the Northeast Dairy Compact, I recall it has been almost 2 years now since I stood in this Chamber and announced my opposition to the agriculture appropriations bill, a committee of which I am a member. At the same time, we had assurances all the way along through subcommittee, full committee, and then going into conference, that we would be able to address the dairy issue; but unfortunately, that was denied us also. In fact, the conference never actually concluded its work. We did not even have the opportunity to offer amendments or to debate these critical issues.

As the gentleman from Pennsylvania pointed out, I did offer an amendment in the 2002 Agriculture Appropriations Subcommittee but withdrew it at the request of the chairman of the subcommittee, the gentleman from Texas (Mr. BONILLA), in hopes of getting consideration of the bill in the Committee on the Judiciary. The Committee on the Judiciary has objected to this amendment and have claimed jurisdiction, and they have said it is not germane. If it is the responsibility of the Committee on the Judiciary, why do they offer to hold no hearings? Why did they propose no legislation? Why did they let the clock run out? Why did they let the clock run out not only on the dairy compact, but on thousands of farmers all over the country? The clock is also running out on my New York dairy farmers. In just 5 years, we have gone from 10,000 to just over 7,000 dairy farms.

As many of my colleagues will point out today, dairy compacts are the best available safety net for producers of class 1 drinking milk. They are governed by a commission of consumers and processors and farmers to ensure a fresh local supply and a fair price.

I think the biggest benefit of compacts is they do not cost the taxpayer one single dollar. Payments come from the milk market, they are countercyclical, and are made to farmers only when the prices fall below the marketing order price.

We should recognize the initiative of 25 States who voted to authorize dairy compacts for their farmers and for their consumers at no expense to the Federal Government. We should embrace their reactions and continue a program that returned $140 million in over-order payments since its inception to farmers in the Northeast.

Many factors cause farmers to go out of business, including health, lack of interested parties to continue the business, nonstop work schedule, or land

development opportunities. By providing a more livable income, the compact addresses one factor, among many others, that encourages farmers to keep farming. For farmers able, willing, and interested in continuing dairy farming, compacts provide a reliable source of assistance. This is critical as dairy farmers are key components to the survival of our rural communities.

Again, I want to thank the gentleman from Pennsylvania (Mr. SHERWOOD) and the rest of the forces on this Congress from across the country who have risen to support the dairy compact.

Ms. DELAURO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I did not speak to the discussion of the point of order, and I commend my colleagues who did get up and speak for so doing. We did know what the ruling was going to be, but nevertheless, the discussion was critically important. To think that a dairy compact could not be discussed in the context of this bill really has no description. I think we understand why this came about, and it really is discouraging in the sense that this is the people's House. As far as I understand, dairy farmers around the country make up the population of the United States. They are the people and they ought to have an opportunity to have their interests, their concerns, their frustrations, their livelihood, their economics discussed in this body.

In terms of my own State of Connecticut, this compact is vital. It is vital to the existence of our dairy farms, each one of them a small family farm. And, like others who have spoken here this afternoon, this is vital to a way of life that is being jeopardized.

The compact serves as a safety net for these dairy farmers by maintaining stable milk prices for them over the course of a year. In the year 2000, it returned $4.8 million in income back to Connecticut's farmers. This is an average of about $21,000 per farmer. These dollars are helped to reverse a serious, long-term trend in my State: the loss of family farms.

Since the compact, there has been no overproduction in New England. In fact, there has been a decrease in milk production, whereas other parts of the country have witnessed dramatic increases. Over 99 percent of CCC purchases of surplus dairy products came from the Midwest and the West.

The compact costs the taxpayer nothing, as my colleagues have pointed out. Payments come from the milk market and are only made to farmers when the compact commission price is below the Federal milk marketing price. So, in most months, farmers do not receive compact payments.

I would just say to my colleagues, it is truly unfortunate when, in this body, we cannot discuss an issue that is of grave concern to farmers in this country. The dairy farmers are part of this effort. We have today excluded them from the opportunity to have their economic crisis defended when just about every other economic crisis of any group in this Nation gets a hearing, gets time on the floor, and gets substantial quantities of money to make themselves whole. Shame on this House for ignoring this country's dairy farmers.

Mr. SHERWOOD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to thank the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) for their consideration here today. I would like to thank my 20 colleagues that have spoken on behalf of dairy compacts. We have shown that they are good for jobs, they are good for the rural economy, they are good for the environment, because we know that when that milk production is spread out across the country, instead of in great cattle-feeding operations, it is spread out across the country, it is good for the environment. We know it is good for food safety, and it is a weapon against bioterrorism, because when the food supply is spread out close to the consuming public and not in one location or two locations across the country, we are much more flexible.

This is an issue whose time has come. The New England dairy compact has been an experiment that worked and it has proven to us it worked. Believe me, I am not a theorist. I am a hard-nosed businessman that was in business for 30 years before I came to this Chamber, and I do not believe in theory, I believe in practice.

The New England dairy compact has worked. We have shown that there are overwhelmingly 25 State legislatures that want this. We have cosponsors, 165 of them, from 30 States in the Nation. The time has come that we need to get around the procedural rules of this House that make ridiculous statements that milk and farm issues are not on the farm bill, they are on the judiciary bill. We need to revisit some of these things. We need to show the United States of America and our hardworking farmers that we are interested in what they do and we are interested in a strong, fresh, stable supply of drinking milk. It is time to bring this issue to a head.

AMENDMENT NO. 10 OFFERED BY MR. BOEHLERT

Mr. BOEHLERT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. BOEHLERT:

Strike title II and insert the following:

TITLE II—CONSERVATION

Subtitle A—Farm and Ranch Preservation

SEC. 201. FARMLAND PROTECTION PROGRAM.

Section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended to read as follows:

"SEC. 388. FARMLAND PROTECTION PROGRAM.

"(a) ESTABLISHMENT AND PURPOSE.—The Secretary of Agriculture (in this section referred to as the "Secretary") shall carry out a farmland protection program for the purpose of protecting farm and ranch lands with prime, unique, or other productive uses and agricultural lands that contain historic or archaeological resources, by limiting the nonagricultural uses of the lands. Under the program, the Secretary may provide matching grants to eligible entities described in subsection (d) to facilitate their purchase of—

"(1) permanent conservation easements in such lands; or

"(2) conservation easements or other interests in such lands when the lands are subject to a pending offer from a State or local government.

"(b) CONSERVATION PLAN.—Any highly erodible land for which a conservation easement or other interest is purchased using funds made available under this section shall be subject to the requirements of a conservation plan that requires, at the option of the Secretary of Agriculture, the conversion of the cropland to less intensive uses.

"(c) MAXIMUM FEDERAL SHARE.—The Federal share of the cost of purchasing a conservation easement under subsection (a)(1) may not exceed 50 percent of the total cost of purchasing the easement.

"(d) ELIGIBLE ENTITY DEFINED.—In this section, the term 'eligible entity' means any of the following:

"(1) An agency of a State or local government.

"(2) A federally recognized Indian tribe.

"(3) Any organization that is organized for, and at all times since its formation has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986 and—

"(A) is described in section 501(c)(3) of the Code;

"(B) is exempt from taxation under section 501(a) of the Code; and

"(C) is described in paragraph (2) of section 509(a) of the Code, or paragraph (3) of such section, but is controlled by an organization described in paragraph (2) of such section.

"(e) GRANT FACTORS.—Among the factors the Secretary shall consider in making grants under this section, the Secretary shall consider the extent to which States are encouraging or adopting measures to protect farmland and ranchland from conversion to non-agricultural uses.

"(f) TITLE; ENFORCEMENT.—An eligible entity may hold title to a conservation easement purchased using grant funds provided under subsection (a)(1) and enforce the conservation requirements of the easement.

"(g) STATE CERTIFICATION.—As a condition of the receipt by an eligible entity of a grant under subsection (a)(1), the attorney general of the State in which the conservation easement is to be purchased using the grant funds shall certify that the conservation easement to be purchased is in a form that is sufficient, under the laws of the State, to achieve the purposes of the farmland protection program and the terms and conditions of the grant.

"(h) FUNDING.—

"(1) USE OF COMMODITY CREDIT CORPORATION FUNDS.—The Secretary shall use not more than $100,000,000 in fiscal year 2002, $200,000,000 in fiscal year 2003, $350,000,000 in fiscal year 2004, $450,000,000 in fiscal year 2005, and $500,000,000 in each of fiscal years 2006 through 2011, of the funds of the Commodity Credit Corporation to carry out this section.

"(2) LIMITATION ON TECHNICAL ASSISTANCE.—To provide technical assistance to carry out this section, the Secretary may use not more than 10 percent of the amount made available for any fiscal year under paragraph (1).

''(i) GRANTS AND ASSISTANCE TO ENHANCE FARM VIABILITY.—For each year for which funds are available for the program under this section, the Secretary may use not more than $10,000,000 to provide matching market development grants and technical assistance to farm and ranch operators who participate in the program. As a condition of receiving such a grant, the grantee shall provide an amount equal to the grant from non-Federal sources.''.

SEC. 202. SOCIALLY DISADVANTAGED FARMERS.

Section 2501(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(3)) is amended—

(1) by striking ''$10,000,000'' and inserting ''$15,000,000 from the Commodity Credit Corporation''; and

(2) by adding at the end the following: ''Any agency of the Department of Agriculture may participate jointly in any grant or contract entered in furtherance of the objectives of this section if it agreed that the objectives of the grant or contract will further the authorized programs of the contributing agency.''.

Subtitle B—Environmental Stewardship On Working Lands

SEC. 211. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking ''to—'' and all that follows through ''provides'' and inserting ''to provide'';

(2) inserting ''air'' after ''that face the most serious threats to'';

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking ''farmers and ranchers'' each place it appears and inserting ''producers''.

SEC. 212. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting ''nonindustrial private forest land,'' before ''and other land''; and

(B) by striking all after ''poses a serious threat to'' and inserting ''air, soil, water, or related resources.''; and

(2) in paragraph (4), by inserting '', including nonindustrial private forestry'' before the period.

SEC. 213. ESTABLISHMENT AND ADMINISTRATION.

(a) REAUTHORIZATION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) INCENTIVE PAYMENTS.—Section 1240B of such Act (16 U.S.C. 3839aa–2) is amended by adding at the end the following:

''(h) WATERSHED QUALITY INCENTIVE PROGRAM.—

''(1) IN GENERAL.—The Secretary shall create a program to improve water quality in individual watersheds nationwide. Except as otherwise provided in this subsection, the program shall be administered in accordance with the terms of the Environmental Quality Incentives Program.

''(2) CONSISTENCY WITH WATERSHED PLAN.—In allocating funds under this subsection, the Secretary shall consider the extent to which an application for the funds is consistent with a locally developed watershed plan, in addition to the other factors established by section 1240C.

''(3) CONTRACTS.—The Secretary shall enter into contracts in accordance with this section with producers whose activities affect water quality, including the quality of public drinking water supplies, to implement and maintain nutrient management, pest management, soil erosion practices, and other conservation activities that protect water quality and protect human health. The contracts shall—

''(A) describe the nutrient management, pest management or soil loss practices to be implemented, maintained, or improved;

''(B) contain a schedule of implementation;

''(C) address water quality priorities of the watershed in which the operation is located to the greatest extent possible; and

''(D) contain such other terms as the Secretary determines to be appropriate.

''(4) VOLUNTARY WATER QUALITY BENEFITS EVALUATION.—On approval of the producer, the Secretary may include the cost of water quality benefits evaluation as part of a contract entered into under this section.

''(5) DRINKING WATER SUPPLIERS PILOT PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a pilot program in 15 watersheds to improve water quality in cooperation with local water utilities.

''(B) PILOT PROGRAM.—The Secretary shall select the watersheds and make available funds to be allocated to producers in partnership with drinking water utilities in the watersheds, provided that drinking water utilities measure water quality and target incentives payments to improve water quality.

''(6) NUTRIENT REDUCTION PILOT PROGRAM.—The Secretary shall use up to $100,000,000 annually of the funds provided under this subsection in 5 impaired watersheds each year to provide incentives for agricultural producers to reduce nitrogen and phosphorous applications by at least 15 percent below the average rates used by comparable farms in the State. Incentive payments shall reflect the extent to which producers reduce nitrogen and phosphorous applications.

''(7) RECOGNITION OF STATE EFFORTS.—The Secretary shall recognize the financial contribution of States, among other factors, during the allocation of funding under this subsection.''.

(c) NON-FEDERAL ASSISTANCE.—Section 1240B(g) of such Act (16 U.S.C. 3839aa–2(g)) is amended—

(1) by inserting ''drinking water utility'' after ''forestry agency,''; and

(2) by inserting '', cost-share payments, and incentives'' after ''technical assistance''.

SEC. 214. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended to read as follows:

''SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

''The Secretary shall establish a ranking process and benefits index to prioritize technical assistance, cost-share payments, and incentives payments to producers to maximize soil and water quality and wildlife habitat and other environmental benefits per dollar expended. The ranking process shall be weighted to ensure that technical assistance, cost-share payments, and incentives are provided to small or socially-disadvantaged farmers (as defined in section 8(a)(5) of the Small Business Act). The Secretary shall consult with local, State, and Federal public and private entities to develop the ranking process and benefits index.''.

SEC. 215. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$10,000'' and inserting ''$30,000''; and

(B) in paragraph (2), by striking ''$50,000'' and inserting ''$150,000'';

(2) in subsection (b)—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) to share the cost of digesters.''; and

(3) by striking subsection (c).

SEC. 216. REAUTHORIZATION OF FUNDING.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 217. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking ''$130,000,000'' and all that follows through ''2002'' and inserting ''$200,000,000 for fiscal year 2001, $1,000,000,000 in fiscal years 2002 and 2003, and $1,000,000,000 for each of fiscal years 2004 through 2011'';

(2) by inserting ''(other than under section 1240B(h))'' before the period; and

(3) by adding at the end the following: ''In addition, the Secretary shall make available for the program under section 1240B(h), $450,000,000 for fiscal years 2002 and 2003, $500,000,000 for fiscal year 2004, $650,000,000 for fiscal year 2005, and $700,000,000 for each of fiscal years 2006 through 2011, to provide incentive payments to producers who implement watershed quality incentive contracts.''.

SEC. 218. ALLOCATION FOR LIVESTOCK AND OTHER CONSERVATION PRIORITIES.

(a) IN GENERAL.—Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended—

(1) by striking ''2002'' and inserting ''2011''; and

(2) by inserting ''(other than under section 1240B(h))'' before ''shall''.

(b) AGRICULTURAL SUSTAINABILITY.—Section 1241(b) of such Act (16 U.S.C. 3841(b)) is amended by adding at the end the following:

''(3) TARGETING OF PRACTICES TO PROMOTE AGRICULTURAL SUSTAINABILITY.—

''(A) To the maximum extent practicable, the Secretary shall attempt to dedicate at least 10 percent of the funding in this subsection to each of the following practices to promote agricultural sustainability:

''(i) Managed grazing.

''(ii) Innovative manure management.

''(iii) Surface and groundwater conservation through improved irrigation efficiency and other practices.

''(iv) Pesticide and herbicide reduction, including practices that reduce direct human exposure.

''(B) DEFINITIONS.—In subparagraph (A):

''(i) MANAGED GRAZING.—The term 'managed grazing' means practices which frequently rotate animals on grazing lands to enhance plant health, limit soil erosion, protect ground and surface water quality, or benefit wildlife.

''(ii) INNOVATIVE MANURE MANAGEMENT.—The term 'innovative manure management' means manure management technologies which—

''(I) eliminate the discharge of animal waste to surface and groundwaters through direct discharge, seepage, and runoff;

''(II) substantially eliminate atmospheric emissions of ammonia;

''(III) substantially eliminate the emission of odor;

''(IV) substantially eliminate the release of disease-transmitting vectors and pathogens;

''(V) substantially eliminate nutrient heavy metal contamination; or

''(VI) encourage reprocessing and cost-effective transportation of animal waste.

''(ii) IMPROVED IRRIGATION EFFICIENCY.—The term 'improved irrigation efficiency' means the use of new or upgraded irrigation systems that conserve water, including the use of—

''(I) spray jets or nozzles which improve water distribution efficiency;

''(II) irrigation well meters;

''(III) surge valves and surge irrigation systems; and

''(IV) conversion of equipment from gravity or flood irrigation to sprinkler or drip irrigation, including center pivot systems.''.

Subtitle C—Preservation of Wildlife Habitat

SEC. 221. WILDLIFE HABITAT INCENTIVES PROGRAM.

(a) EXTENSION AND FUNDING INCREASE.—Section 387(c) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

''(c) FUNDING.—To carry out this section, there shall be made available $200,000,000 for fiscal years 2002 and 2003, $350,000,000 for fiscal year 2004, $450,000,000 for fiscal year 2005, $500,000,000 for each of the fiscal years 2006 through fiscal year 2009, $400,000,000 for fiscal year 2010, and $200,000,000 for fiscal year 2011.''.

(b) ADDITIONAL INCENTIVES FOR WILDLIFE CONSERVATION.—Section 387(b) of such Act (16 U.S.C. 3836(b)) is amended by inserting '', or for other costs relating to wildlife conservation,'' before ''approved by the Secretary''.

(c) PROGRAM MODIFICATIONS.—Section 387 of such Act (16 U.S.C. 3836a) is amended by adding at the end the following:

''(d) INCENTIVE PAYMENTS.—The Secretary may provide incentive payments to landowners in exchange for the implementation of land management practices designed to create or preserve wildlife habitat. The payments may be in an amount and at a rate determined by the Secretary to be necessary to encourage a landowner to engage in the practice.

''(e) FUNDING PRIORITY.—The Secretary shall give priority to landowners whose lands contain important habitat for imperiled species or habitat identified by State conservation plans, where available.

''(f) CONSULTATION.—To the extent practicable, the Secretary shall consult with local, State, Federal and private experts, as considered appropriate by the Secretary, to ensure that projects under this section maximize conservation benefits and are regionally equitable.

''(g) ACQUISITION OF EASEMENTS.—Beginning with fiscal year 2003, not more than 10 percent of the funds available shall be used to acquire permanent easements, provided that land enrolled in an easement is not land taken out of agricultural production''.

SEC. 222. WETLANDS RESERVE PROGRAM.

(a) ENROLLMENT AUTHORITY.—Section 1237(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3837(b)(1)) is amended to read as follows:

''(1) ENROLLMENT.—The Secretary shall enroll in the wetlands reserve program a total of not less than 250,000 acres in fiscal years 2002 and 2003, and not less than 250,000 acres in each of fiscal years 2004 through 2011.''.

(b) REGIONAL EQUITY.—Section 1237 of such Act (16 U.S.C. 3837) is amended by adding at the end the following:

''(h) Not later than 60 days after the date of the enactment of this sentence, the Secretary shall devise a plan to promote wetlands conservation in all regions where opportunities exist for wetlands restoration.''.

SEC. 223. CONSERVATION RESERVE PROGRAM.

(a) ENROLLMENT AUTHORITY.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) in subsection (a)—

(A) by striking ''2002'' and inserting ''2011''; and

(B) by striking ''and water'' and inserting '', water, and wildlife'';

(2) in subsection (d)—

(A) by striking ''36,400,000'' and inserting ''45,000,000''; and

(B) by striking ''2002'' and inserting ''2011''; and

(3) in subsection (h)(1), by striking ''and 2002'' and inserting ''through 2011''.

(b) ELIGIBILITY.—Section 1231(b) of such Act (16 U.S.C. 3831(b)) is amended—

(1) by striking paragraph (3) and inserting the following:

''(3) pasture, hay, and rangeland if the land will be restored as a wetland, or is within 300 feet of a riparian area and will be restored in native vegetation; and''; and

(2) in paragraph (4)—

(A) by striking subparagraph (A) and inserting the following:

''(A) if the Secretary determines that—

''(i) the lands contribute to the degradation of soil, water, or air quality, or would pose an on-site or off-site environmental threat to soil, water, or air quality if permitted to remain in agricultural production; and

''(ii) soil, water, and air quality objectives with respect to the land cannot be achieved under the environmental quality incentives program established under chapter 4;'';

(B) by striking ''or'' at the end of subparagraph (C);

(C) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(D) by adding at the end the following:

''(E) if the Secretary determines that enrollment of the lands would contribute to conservation of ground or surface water.

For purposes of the program under this subchapter, buffer strips on lands used for the production of fruits, vegetables, sod, orchards, or specialty crops shall be considered cropland.''.

(c) ENVIRONMENTALLY SENSITIVE LANDS AND BUFFER STRIPS.—Section 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by adding at the end the following: ''Until December 31, 2007, of the acreage authorized for enrollment, not less than 7,000,000 acres shall be used to enroll environmentally sensitive lands through the continuous enrollment program and the conservation reserve enhancement program.''.

(d) LIMITED PERMANENT EASEMENT AUTHORITY.—Section 1231(e) of such Act (16 U.S.C. 3831(e)) is amended by adding at the end the following:

''(3) PERMANENT EASEMENTS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary may enroll up to 3,000,000 acres in the conservation reserve using permanent easements to protect critically important environmentally sensitive lands (including 1,000,000 acres for isolated wetlands) and habitats such as native prairies, native shrublands, small wetlands, springs, seeps, fens, and other rare and declining habitats. The terms of the easement shall be consistent with section 1232(a).

''(B) LIMITATIONS ON TRANSFERABILITY.—The Secretary may transfer a permanent easement established under subparagraph (A) to a State or local government or a qualified nonprofit conservation organization. The holder of such a permanent easement may not transfer the easement to an entity other than a State or local government or a qualified nonprofit conservation organization.''.

(e) CONTINUOUS ENROLLMENT OF BUFFER STRIPS.—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) CONTINUOUS ENROLLMENT OF BUFFER STRIPS.—The Secretary shall allow continuous enrollment of buffers whose width and vegetation is designed to provide significant wildlife or water quality benefits, as determined by the Secretary.

''(j) IRRIGATED LANDS.—Irrigated lands shall be enrolled at irrigated land rates unless the Secretary determines that other compensation is appropriate.

''(k) EXCEPTION TO PAYMENT LIMITATION.—Payments made in connection with the enrollment of lands pursuant to the continuous enrollment or the conservation reserve enhancement program shall not be subject to any payment limitations under section 1239c(f)(1).

''(l) LIMITED EXCEPTIONS TO PROHIBITIONS ON ECONOMIC USES.—Notwithstanding the prohibitions on economic use on lands enrolled in the Conservation Reserve Program under section 1232(a), the Secretary may permit on such lands the collection of native seeds and the use of wind turbines, so long as such activities preserve the conservation values of the land and take into account wildlife and wildlife habitat.''.

SEC. 224. CONSERVATION OF PRIVATE GRAZING LANDS.

Section 386 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b) is amended by striking subsection (f) and inserting the following:

''(f) INCENTIVE PAYMENTS.—The Secretary may enter into 5-year, 10-year and 20-year contracts with landowners to provide financial assistance for landowner efforts to improve the ecological health of grazing lands, including practices that reduce erosion, employ prescribed burns, restore riparian area, control or eliminate exotic species, reestablish native grasses, or otherwise enhance wildlife habitat.

''(g) AUTHORIZATION OF FUNDING.—The Secretary shall make available $20,000,000 for each of the fiscal years 2002 through 2011 from the Commodity Credit Corporation to carry out this section.''.

SEC. 225. GRASSLAND RESERVE AND ENHANCEMENT PROGRAM.

Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

''Subchapter D—Grassland Reserve and Enhancement Program

''SEC. 1238. GRASSLAND RESERVE AND ENHANCEMENT PROGRAM.

''(a) ESTABLISHMENT.—The Secretary shall establish a program to use contracts and easements to protect 3,000,000 acres of environmentally critical grasslands, shrubs, and blufflands. Beginning in fiscal year 2002, the Secretary shall conduct outreach to inform the public of the program.

''(b) ENROLLMENT CONDITIONS.—

''(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 3,000,000 acres. The Secretary shall enroll lands using permanent easements to meet demand, but in no case shall more than 50 percent of the available acreage be enrolled in permanent easements, and the balance shall be enrolled in contracts through which the Secretary shall provide assistance and incentive payments.

''(2) TERMS OF CONTRACTS OR EASEMENTS.—The Secretary shall enroll in the program for a willing owner not less than 100 contiguous acres of land west of the 100th meridian or not less than 50 contiguous acres of land east of the 90th meridian through 10-year or 20-year contracts or permanent easements.

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that—

''(1) the land is natural grass or shrubland;

''(2) the land—

''(A) is located in an area that has been historically dominated by natural grass or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grass or shrubland; or

''(3) the land is adjacent to land described in paragraph (1) or (2), and the Secretary determines it is necessary to maintain or restore native grassland or shrubland under this section.

''(d) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there shall be available for each of fiscal years 2002 through 2011 such sums as may be necessary from the funds of the Commodity Credit Corporation.

''SEC. 1238A. CONTRACTS AND AGREEMENTS.

''(a) REQUIREMENTS OF LANDOWNER.—To be eligible to enroll land in the program, the owner of the land shall—

''(1) agree to comply with the terms of the contract and related restoration agreements; and

''(2) agree to the suspension of any existing cropland base and allotment history for the land under any program administered by the Secretary.

''(b) TERMS OF CONTRACT OR EASEMENT.—A contract or easement under subsection (a) shall—

''(1) permit—

''(A) common grazing practices on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

''(B) haying, mowing, or haying for seed production, except that such uses shall not be permitted until after the end of the nesting and brood-rearing season for birds in the local area which are in significant decline or are conserved pursuant to State or Federal law, as determined by the Natural Resources Conservation Service State conservationist;

''(C) construction of fire breaks and fences, including placement of the posts necessary for fences; and

''(D) practices that reduce erosion, restore native species, control and eradicate exotic species, enhance habitat for native wildlife, and improve the health of riparian areas;

''(2) prohibit—

''(A) forestry and the production of any agricultural commodity (other than hay);

''(B) unless allowed under subsection (d), the conduct of any other activity that would disturb the surface of the land covered by the contract or easement; and

''(C) the development of homes, businesses or other structures on land subject to the contract or easement; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out or facilitate the administration of this subchapter.

''(c) RANKING APPLICATIONS.—

''(1) ESTABLISHMENT OF CRITERIA.—The Secretary shall establish criteria to evaluate and rank applications for contracts under this subchapter.

''(2) EMPHASIS.—In establishing the criteria, the Secretary shall emphasize support for native grass and shrubland, grazing operations, and plant and animal biodiversity.

''(d) RESTORATION AGREEMENTS.—The Secretary shall prescribe the terms by which grassland that is subject to a contract under the program shall be restored. The agreement shall include duties of the land owner and the Secretary, including the Federal share of restoration payments and technical assistance.

''(e) VIOLATIONS.—On the violation of the terms or conditions of a contract or restoration agreement entered into under this section—

''(1) the contract shall remain in force; and

''(2) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

''SEC. 1238B. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of a contract by an owner under this subchapter, the Secretary shall make contract payments and payments of the Federal share of restoration and provide technical assistance to the owner in accordance with this section. The Secretary shall base the amount paid for an easement on the fair market value of the easement.

''(b) FEDERAL SHARE OF RESTORATION.—The Secretary shall make payments to the owner of not more than—

''(1) in the case of virgin (never cultivated) grassland, 90 percent of the costs of carrying out measures and practices necessary to restore grassland functions and values; or

''(2) in the case of restored grassland, 75 percent of such costs.

''(c) TECHNICAL ASSISTANCE.—A landowner who is receiving a benefit under this subchapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this subchapter.

''(d) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.''.

Subtitle D—Organic Farming

SEC. 231. PROGRAM TO ASSIST TRANSITION TO ORGANIC FARMING.

(a) ASSISTANCE AUTHORIZED.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall expand the National Organic Program to include a voluntary program to assist agricultural producers in making the transition from conventional to organic farming and to assist existing organic farmers. Under the program, the Secretary may make payments to cover all or a portion of—

(1) production and marketing losses;

(2) conservation practices related to organic food production;

(3) certification costs;

(4) technical assistance by qualified third parties;

(5) educational materials; or

(6) farm-to-consumer market development.

(b) LIMITATION ON EXPENDITURES.—Payments to individual farm and ranch operators under this section shall not exceed $10,000 per year, and such payments shall not be made to individuals operating a conventional farm or ranch in more than 3 fiscal years.

(c) ORGANIC CERTIFICATION REIMBURSEMENT PROGRAM.—The Secretary shall reimburse producers for the cost of organic certification. To expedite certification, farmers seeking certification shall be eligible for a direct reimbursement of up to $500 by the Secretary of certification costs, so long as producers present an organic certificate and receipt.

(d) FUNDING.—Of the funds of the Commodity Credit Corporation, there shall be available to the Secretary to carry out this section $20,000,000 for fiscal years 2002 and 2003, $40,000,000 for fiscal year 2004, $40,000,000 for fiscal year 2005, $50,000,000 for fiscal year 2006, $50,000,000 for fiscal year 2007, $50,000,000 for fiscal year 2008, and $0 for fiscal years 2009 through 2011.

Subtitle E—Forestry

SEC. 241. URBAN AND COMMUNITY FORESTRY.

Section 9(i) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105(i)) is amended to read as follows:

''(i) FUNDING.—The Secretary shall use $50,000,000 of the funds of the Commodity Credit Corporation to carry out this section for each of the fiscal years 2002 through 2011. In addition, there are authorized to be appropriated to the Secretary not more than $50,000,000 to carry out this section for each of the fiscal years 2002 through 2011. As determined by the Secretary, socially disadvantaged foresters shall be eligible for funding under this section.''.

SEC. 242. WATERSHED FORESTRY INITIATIVE.

(a) ESTABLISHMENT.—The Secretary shall establish a program for the purpose of providing financial assistance to enhance the quality of municipal water supplies and to encourage the long-term sustainability of private forestland.

(b) EASEMENTS.—The Secretary shall annually use $75,000,000 from the Commodity Credit Corporation to be matched equally by any non-Federal source for each of the fiscal years 2002 through 2011 to acquire permanent easements that promote watershed protection. The Secretary shall establish a system to fairly compensate landowners for the value of an easement entered into under this section.

(c) LAND-USE PRACTICES.—The Secretary shall annually use $25,000,000 from the Commodity Credit Corporation for each of the fiscal years 2002 through 2011 to share equally with any non-Federal source the cost of land management practices on nonindustrial forestland that protect municipal drinking water supplies and other conservation purposes. The Secretary shall consider, among other factors, the extent to which projects are identified in a regional or watershed conservation plan. Practices that are eligible for funding under this section include the following:

(1) Natural forest regeneration.

(2) Prescribed burns.

(3) Native species restoration.

(4) Stream and watershed restoration.

(5) Road retirement.

(6) Riparian restoration.

(7) Other practices that improve water quality and wildlife habitat, as determined by the Secretary.

(d) REGIONAL AND WATERSHED PLANNING.—The Secretary shall establish a program to make grants not exceeding $10,000 to develop and implement regional and watershed-based conservation plans to comply with existing laws and meeting water quality standards. The Secretary shall consider, among other factors, the extent to which applicants develop interjurisdictional conservation plans, protect nationally significant resources, engage the public, and demonstrate local support. The Secretary shall use not more than $10,000,000 from the Commodity Credit Corporation for each of the fiscal years 2002 through 2011 to carry out this subsection.

Subtitle F—Technical Assistance

SEC. 251. CONSERVATION TECHNICAL ASSISTANCE.

(a) Section 6 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590f) is amended—

(1) by striking the 1st undesignated paragraph and inserting the following:

''(a) The Secretary shall make available $200,000,000 each fiscal year from the Commodity Credit Corporation, and such additional sums as may be appropriated by the Congress, to carry out this Act.''; and

(2) by desginating the 2nd undesignated paragraph as subsection (b).

(b) Section 7 of such Act (16 U.S.C. 590g) is amended by striking ''and (7)'' and inserting ''(7) any of the purposes of agricultural conservation programs authorized by Congress, and (8)''.

SEC. 252. REIMBURSEMENT FOR PROGRAM ADMINISTRATION.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841–3843) is amended—

(1) by inserting ''(1)'' before the first unnumbered paragraph;

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (B);

(3) by moving the newly designated subparagraphs (A) through (B) three ems to the right;

(4) by adding at the end the following:

''(2) For each of fiscal years 1996 through 2011, the Secretary shall use the funds of the Commodity Credit Corporation for the provision of technical assistance to allow for full reimbursement of actual costs for delivering all conservation programs funded through the Commodity Credit Corporation for which technical assistance is required.''.

SEC. 253. CONSERVATION TECHNICAL ASSISTANCE BY THIRD PARTIES.

Section 1243(d) of the Food Security Act of 1985 (16 U.S.C. 3843(d)) is amended—

(1) by striking ''In the preparation'' and inserting the following:

''(1) IN GENERAL.—In the preparation''; and

(2) by adding at the end the following:

''(2) ESTABLISHMENT OF TRAINING CENTERS.—To facilitate the training and certification of Federal and non-Federal employees and qualified third parties, the Secretary may establish training centers in the following locations:

''(A) Fresno, California.

''(B) Platteville, Wisconsin.

''(C) Lincoln, Nebraska.

''(D) Ithaca, New York.

''(E) Pullman, Washington.

''(F) Orono, Maine.

''(G) Gainesville, Florida.

''(H) College Park, Maryland.

''(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to this title. In the system, the Secretary shall give priority to a person who has a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

''(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, qualified nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.

''(C) QUALIFIED NONPROFIT ORGANIZATIONS.—Qualified nonprofit organizations shall include organizations whose missions primarily promote the stewardship of working farmland and ranchland.

''(4) QUALITY ASSURANCE PROGRAM.—The Secretary shall establish a program to assess the quality of the technical assistance provided by third parties.''.

SEC. 254. CONSERVATION PRACTICE STANDARDS.

The Secretary of Agriculture shall—

(1) revise standards and, when necessary, establish standards for eligible conservation practices to include measurable goals for enhancing natural resources, including innovative practices;

(2) within 6 months after the date of the enactment of this section, revise the National Handbook of Conservation Practices and field office technical guides; and

(3) not less frequently than once every 5 years, update the Handbook and technical guides to reflect the best available science.

Subtitle G—Miscellaneous Conservation Provisions

SEC. 261. CONSERVATION PROGRAM PERFORMANCE REVIEW AND EVALUATION.

(a) IN GENERAL.—The Secretary shall establish a grant program to evaluate the benefits of the conservation programs under title XII of the Food Security Act of 1985 and under sections 242 and 262 of this Act.

(b) GRANTS.—The Secretary shall make grants to land grant colleges and other research institutions whose applications are highly ranked under subsection (c) to evaluate the economic and environmental benefits of conservation programs, and shall use such research to identify and rank measures needs to improve water quality, fish and wildlife habitat, and other environmental goals of conservation programs.

(c) SCIENTIFIC PANELS.—The Secretary shall establish a panel of independent scientific experts to review and rank the grant applications submitted under subsection (a).

(d) FUNDING.—The Secretary shall use $10,000,000 from the Commodity Credit Corporation for each of fiscal years 2002 through 2011 to carry out this section.

SEC. 262. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the Great Lakes Commission created by Article IV of the Great Lakes Basin Compact (82 Stat. 415) and in cooperation other appropriate Federal agencies may carry out the Great Lakes Basin Program for Soil Erosion and Sediment Control.

(b) ASSISTANCE.—In carrying out the Program, the Secretary shall—

(1) provide project demonstration grants, provide technical assistance, and carry out information and education programs to improve water quality in the Great Lakes Basin by reducing soil erosion and improving sediment control; and

(2) provide a priority for projects and activities that directly reduce soil erosion or improve sediment control.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2003 through 2011.

(2) ADMINISTRATIVE COSTS.—

(A) COMMISSION.—The Great Lakes Commission may use not more than 10 percent of the funds made available for a fiscal year under paragraph (1) to pay administrative costs incurred by the Commission in carrying out this section.

(B) SECRETARY.—None of the funds made available under paragraph (1) may be used by the Secretary to pay administrative costs incurred by the Secretary in carrying out this section.

Subtitle H—Conservation Corridor Program

SEC. 271. CONSERVATION CORRIDOR PROGRAM.

(a) PURPOSE.—The purpose of this subtitle is to provide for the establishment of a program that recognizes the leveraged benefit of an ecosystem-based application of the Department of Agriculture conservation programs, addresses the increasing and extraordinary threats to agriculture in many areas of the United States, and recognizes the importance of local and regional involvement in the protection of economically and ecologically important farmlands.

(b) ESTABLISHMENT.—The Secretary of Agriculture (in this subtitle referred to as the ''Secretary'') shall establish a Conservation Corridor Program through which States, local governments, tribes, and combinations of States may submit, and the Secretary may approve, plans to integrate agriculture and forestry conservation programs of the United States Department of Agriculture with State, local, tribal, and private efforts to address farm preservation, water quality, wildlife, and other conservation needs in critical areas, watersheds, and corridors in a manner that enhances the conservation benefits of the individual programs, tailors programs to State and local needs, and promotes and supports ecosystem and watershed-based conservation.

(c) MEMORANDUM OF AGREEMENT.—On approval of a proposed plan, the Secretary may enter into a memorandum of agreement with a State, a combination of States, local governments, or tribes, that—

(1) guarantees specific program resources for implementation of the plan;

(2) establishes different or automatic enrollment criteria than otherwise established by regulation or policy, for specific levels of enrollments of specific conservation programs within the region, if doing so will achieve greater conservation benefits;

(3) establishes different compensation rates to the extent the parties to the agreement consider justified;

(4) establishes different conservation practice criteria if doing so will achieve greater conservation benefits;

(5) provides more streamlined and integrated paperwork requirements; and

(6) otherwise alters any other requirement established by United States Department of Agriculture policy and regulation to the extent not inconsistent with the statutory requirements and purposes of an individual conservation program.

SEC. 272. CONSERVATION ENHANCEMENT PLAN.

(a) PREPARATION.—To be eligible to participate in the program under this subtitle, a State, combination of States, political subdivision or agency of a State, tribe, or local government shall submit to the Secretary a plan that proposes specific criteria and commitment of resources in the geographic region designated, and describes how the linkage of Federal, State, and local resources will—

(1) improve the economic viability of agriculture by protecting contiguous tracts of land;

(2) improve the ecological integrity of the ecosystems or watersheds within the region by linking land with high ecological and natural resource value; and

(3) in the case of a multi-State plan, provide a draft memorandum of agreement among entities in each State.

(b) SUBMISSION AND REVIEW.—Within 90 days after receipt of the conservation plan, the Secretary shall review the plan and approve it for implementation and funding under this subtitle if the Secretary determines that the plan and memorandum of agreement meet the criteria specified in subsection (c).

(c) CRITERIA FOR PARTICIPATION.—The Secretary may approve a plan only if, as determined by the Secretary, the plan provides for each of the following:

(1) Actions taken under the conservation plan are voluntary and require the consent of willing landowners.

(2) Criteria specified in the plan and memorandum of agreement assure that enrollments in each conservation program incorporated through the plan are of exceptionally high conservation value.

(3) The program provides benefits greater than the benefits that would likely be achieved through individual application of the federal conservation programs because of such factors as—

(A) ecosystem- or watershed-based enrollment criteria;

(B) lengthier or permanent conservation commitments;

(C) integrated treatment of special natural resource problems, including preservation and enhancement of natural resource corridors; and

(D) improved economic viability for agriculture.

(4) Staffing and marketing, considering both Federal and non-Federal resources, are sufficient to assure program success.

(d) APPROVAL AND IMPLEMENTATION.—Within 90 days after approval of a conservation plan, the Secretary shall begin to provide funds for the implementation of the plan.

(e) PRIORITY.—In carrying out this section, the Secretary shall give priority to multi-State or multi-tribal plans.

SEC. 273. FUNDING REQUIREMENTS.

(a) COST-SHARING.—As a further condition on the approval of a conservation plan submitted by a non-Federal interest under section 272, the Secretary shall require the non-Federal interest to contribute at least 20 percent of the total cost of the Conservation Corridor Program.

(b) EXCEPTION.—The Secretary may reduce the cost-share requirement in the case of a specific activity under the Conservation Corridor Program on good cause and demonstration that the project or activity is likely to achieve extraordinary natural resource benefits.

(c) COORDINATION.—The Secretary shall require that non-Federal interests contributing financial resources for the Conservation Corridor Program shall implement streamlined paperwork requirements and other procedures to allow for integration with the Federal programs for participants in the program.

(d) RESERVATION OF FUNDS.—The Secretary shall direct funds on a priority basis to the Conservation Corridor Program and to projects in areas identified by the plan.

(e) ADMINISTRATION.—A State may submit multiple plans, but the Secretary shall assure opportunity for submission by each State. Acreage committed as part of approved Conservation Reserve Enhancement Programs shall be considered acreage of the Conservation Reserve Program committed to a Conservation Enhancement Program.

Subtitle I—Funding Source and Allocations

SEC. 281. FUNDING FOR CONSERVATION FUNDING.

(a) REDUCTION IN FIXED DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.—Notwithstanding sections 104 and 105, the Secretary of Agriculture (in this subtitle referred to as the ''Secretary'') shall reduce by $1,900,000,000 the total amount otherwise required to be paid under such sections in each of fiscal years 2002 through 2011, in accordance with this section.

(b) MAXIMUM TOTAL PAYMENTS BY TYPE AND FISCAL YEAR.—In making the reductions required by subsection (a), the Secretary shall ensure that—

(1) the total amount paid under section 104 does not exceed—

(A) $3,425,000,000 in fiscal year 2002; or

(B) $4,325,000,000 in any of fiscal years 2003 through 2011; and

(2) the total amount paid under section 105 does not exceed—

(A) $3,332,000,000 in fiscal year 2003;

(B) $4,494,000,000 in fiscal year 2004;

(C) $4,148,000,000 in fiscal year 2005;

(D) $3,974,000,000 in fiscal year 2006;

(E) $3,701,000,000 in fiscal year 2007;

(F) $3,222,000,000 in fiscal year 2008;

(G) $2,596,000,000 in fiscal year 2009;

(H) $2,057,000,000 in fiscal year 2010; or

(I) $1,675,000,000 in fiscal year 2011.

(c) LIMITATIONS TO PROTECT SMALLER FARMERS, PRESERVE TRADE AGREEMENTS, AND ENSURE PROGRAM AND REGIONAL BALANCE.—In making the reductions required by subsection (a), the Secretary shall—

(1) accomplish all of the reductions required with respect to a fiscal year by making pro rata reductions in the amounts otherwise payable under sections 104 and 105 to the 10 percent (or, if necessary, such greater percentage as the Secretary may determine) of recipients who would otherwise receive the greatest total payments under such sections in the fiscal year; and

(2) to the maximum extent practicable, ensure that—

(A) the resulting payments under such sections pose the least amount of risk to the United States of violating trade agreements to reduce subsidies; and

(B) the reductions are made in a manner that achieves balance among programs and regions.

SEC. 282. ALLOCATION OF CONSERVATION FUNDS BY STATE.

(a) STATE ALLOCATION.—To the maximum extent practicable in each of fiscal years 2002 through 2011, the Secretary, subject to the rules of the conservation programs administered by the Secretary, shall ensure that each State receives at a minimum the State's share of the $1,900,000,000 based on the State's share of the total agricultural market value of production, with each State receiving not less than 0.52 percent and not more than 7 percent of such amount annually.

(b) TRANSITION AND UNOBLIGATED BALANCES.—If the offices of the United States Department of Agriculture in each respective State cannot expend all funds allocated in this title within 2 consecutive fiscal years for the programs identified in this title, the funds shall be remitted to the Secretary for reallocation as the Secretary deems appropriate among States to address unmet conservation needs through the programs in this title, except that in no event shall these unobligated balances be used to fund technical assistance.

(c) REGIONAL EQUITY.—Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended by adding at the end the following:

''(d) REGIONAL EQUITY.—In carrying out the ECARP, the Secretary shall recognize the importance of regional equity, and the importance of accomplishing many conservation objectives that can sometimes only be achieved on land of high value.''.

Subtitle J—Rural Development

SEC. 291. EXPANSION OF STATE MARKETING PROGRAMS.

(a) FEDERAL-STATE MARKET INCENTIVE PAYMENTS.—Section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623) is amended by striking ''such sums as he may deem appropriate'' and inserting ''$10,000,000 from the Commodity Credit Corporation for each of the fiscal years 2002 through 2011''.

(b) MARKET DEVELOPMENT GRANTS.—Section 203(e)(1) of such Act (7 U.S.C. 1622(e)(1)) is amended by adding at the end the following: ''The Secretary shall transfer to State departments of agriculture and other State marketing offices at least 10 percent of the funds appropriated for a fiscal year for this subsection to facilitate the development of local and regional markets for agricultural products, including direct farm-to-consumer markets.''.

Amend the table of contents accordingly.

Mr. BOEHLERT. Mr. Chairman, I think by now the thrust of the Boehlert-Kind-Gilchrest-Dingell amendment is well-known. Our amendment would significantly increase the conservation funding in the bill, while leaving total farm bill spending essentially unchanged. This amendment will protect water quality, preserve open space, foster wildlife populations, and increase opportunities for sportsmen, all while helping more farmers in more States than the base bill.

That is why the amendment is supported by a wide range of groups, including Ducks Unlimited, the Wildlife Management Institute, the Izaak Walton League, groups representing the Nation's water and sewer agencies, the National League of Cities, and the League of Conservation Voters. Quite simply, our amendment is good environmental policy and good agriculture policy.

This amendment will provide increases for the numerous important conservation programs that do not receive significant increases in the bill. These programs, like the Wetland Reserve Program and the Conservation Reserve Program, which help farmers, especially small farmers, have a long waiting list. As the administration's own recent report, Taking Stock for a New Century acknowledges, these programs could and should help many more farmers work the land, care for the land, and protect water quality.

I represent an agricultural area, and I know from the farmers in my own congressional district just how vital and successful these programs can be.

Now, we are going to hear a lot of spurious arguments against this amendment, even more than usual, because the chairman has refused to agree to a time limit on debate. But the main argument we are going to hear is the most ridiculous of all. We are going to hear that this amendment would destroy the delicate, carefully crafted balance that holds together the underlying bill.

Let me tell my colleagues bluntly about the way this bill is balanced. This is the kind of balance they used to have in Latin America dictatorships where all of the leading families got together and divided the money equally among themselves to ensure that the rest of the public was held at bay. They were called ''banana republics.'' Here, I guess, we have a ''cotton republic.'' But the principle is the same. The balance in this bill is that all of the big commodity groups got together and divided up the spoils without regard to the needs of other people or of good public policy.

Now, just like oligarchies, they are threatening anyone who would dare to disagree: food stamp advocates, dairy farmers advocates, you name it. There is nothing delicate about the way this bill was put together. It was an exercise in raw power.

Do not take my word for this. Listen to the Bush administration. The administration does not support the base bill because, and I quote, ''It misses the opportunity to modernize farm programs through innovative environmental programs; it encourages overproduction, and fails to help farmers most in need,'' especially small farmers and ranchers. This amendment corrects these deficiencies.

Our amendment will help more farmers in more States than the base bill.

Our amendment will encourage innovative environmental practices. Our amendment will keep lands in production. Our amendment will target assistance to smaller farms who need it the most. Our amendment will help protect precious water supplies from coast to coast. In fact, commodity payments will still increase significantly with our amendment, and 97 percent of American farmers, 97 percent, will receive the exact same payments they would under the underlying bill.

So I urge my colleagues to support this amendment. It represents true balance. It will help farmers and cities protect land and water, preserve open space, and keep farms in business. It is fair, it is equitable, and it deserves our support.

□ 1330

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me just say to the gentleman from New York (Mr. BOEHLERT), who made reference in his opening comments about the fact that the Chair would not agree to a time agreement, I might just mention that we have been working on this bill for 9 months.

This bill was reported from committee in July. It has been out there. People have had the opportunity to look at our bill. We have only been able to look at this very lengthy and complex amendment, offered by the gentleman from New York (Mr. BOEHLERT) and the gentleman from Wisconsin (Mr. KIND) for the last 36 hours.

This amendment has a wide variety of things which we want to make for certain that Members of Congress have the opportunity to know are in the bill before we, in fact, do vote on it. We will have an opportunity to discuss that as the day goes on.

Mr. Chairman, the Committee on Agriculture is appropriately named. I think if we look back at what has occurred over the past 4 years, recognizing that we have had virtually record-setting low prices for every year for commodities across this country, and why the Congress very generously provided an additional $30 billion was a recognition that under a program that has not had an adequate safety net, the American agricultural economy potentially is in peril.

So we set out 2 years ago to begin to look at what we could do to keep the good parts of the current farm bill and to make changes in the areas that, in fact, needed changes. We recognize that we cannot be regional in our approach. We have to look at the Nation as a whole. We have to look at all aspects of legislation, of programs which come under our jurisdiction, from food stamps to research to export programs to commodity programs to conservation to rural development, to all of those things that, in fact, fall under our jurisdiction.

In almost any other climate, the areas that we have changed in terms of conservation would have been considered at least generous. For example, in the current program versus the new program, here are the comparisons of some of the numbers.

In conservation reserve, we have moved from 36.4 million acres, a $1.5 billion increase, to 39.2 million acres. In wetland reserves, we have gone from 1 million acres to 1.5 million acres, with a $1.7 billion increase. In the environmental quality incentives program, we have gone from $1 billion to $12 billion. In water conservation programs, there were no programs, and we have gone to $555 million. In wildlife habitat incentives programs, we have gone from $62 million to $385 million. In farmland protection programs, we have gone from $52 million to $500 million. There was no grassland reserve program. We have gone to a program that will provide 2 million acres to be able to come into contracts and easements.

But the concern that I have about this amendment, let there be no question about it, from the approach that we are trying to take to deal with American agriculture, this amendment, if passed, would totally devastate the bill.

The reason I say that is because, as we have traveled for the last 2 years over this country and in every region of the country, and as we have had many hearings in our committee over the past several months, the one thing which stood out in all of the recommendations that the people who were suffering the most under the current program, was the need for a countercyclical program. It is the countercyclical program that is being attacked in this amendment.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from Texas (Mr. COMBEST) has expired.

(By unanimous consent, Mr. COMBEST was allowed to proceed for 5 additional minutes.)

Mr. COMBEST. Mr. Chairman, a countercyclical program works in such a way that if prices are low, there is a safety net which is built into the program. I think, to my budget-conscious colleagues, of which I am one, this is much more of an honest way to deal with this problem than ad hoc disaster bill after disaster bill after disaster bill after disaster bill.

It also gives an opportunity for farmers to plan much better, because they know there is a program in place. If prices are high or if prices are good, a countercyclical program does not kick in.

So I would say to my friends who look at this from a spending standpoint, under our program, if we achieve what we are hoping for, and that is higher commodity prices, we will spend substantially less, substantially less than we would by the authors of this amendment, if it passed, because this spending will be there, regardless of what happens to crops.

If prices next year or the next year or the next year are extremely low, do we not think that we are going to come back to the Congress, because there is no mechanism to help in those low-price situations, and ask for billions upon billions of dollars?

Another thing, this amendment also is very unfair, Mr. Chairman, and I think it is important to point out a couple of things that sound pretty good on the surface, but when we begin to look under a little bit, we begin to realize that this is a little inequitable.

It is great to name the people who get payments. We are only taking from the top 5 or 10, percent, or whatever. Let me just mention, for one thing, that it is sort of like one robs money where the bank is; the reason some people get more money is because they produce more. They are more at risk. They are the ones who provide the food and fiber for this country. They are not hobby farmers, they make their living farming. They are heavily at risk every year with weather and with pricing conditions over which they have no control, and with huge increases in the price of production.

Let us talk about how inequitable this is. If we take and separate this across the top 10 percent of those, and that sounds good, only the top 10 percent, if we are on an average corn farm of 409 acres, which is not a big farm, that would receive, on an average yield, $12,500 in a fixed decoupled payments, that farmer would be cut back to $4,250, whereas his neighbor on a 392-acre, who would fall just below the cutoff point, would get $12,500. That seems to me to be a terribly inequitable situation.

If there is a countercyclical program, and the only commodity in the country is corn that has a low price, then all of the other producers in the country do not share in this. All of the money comes off of the top producers of the people who produce corn.

So just by capping, you are hurting the people who actually need the help the most. The people who have good crops, the people who have good prices are not going to be affected because that is the design of our program. They are not going to get that payment, anyway. But the person who actually would need it, because the prices are so low, is going to be the one that is damaged the most. So it seems to me to be extremely inequitable.

I understand, it is much easier for people to come up and try to create divisions among regions of the country when they do not have to represent the country as a whole. The gentleman from Texas (Mr. STENHOLM) and I went into this whole discussion and debate, for the last 2 years on farm policy, recognizing that we have to look at agriculture as a whole. We have to represent this entire country. We have to look at it as to what we can do to maintain a balance in which everybody feels that they are being treated equitably.

Yes, the gentleman from New York (Mr. BOEHLERT) and the gentleman

from Wisconsin (Mr. KIND) have a group of people for their amendment, but I did not notice that the people who farmed for a living are the people who are for their amendment. If we look at people who are in support of the House bill as passed by the committee, we will find it is the American farmer. It is the person out there providing the food and fiber for the people in this country, and it is the one group that has been hurt more economically in the last 4 years of any economic group in the country.

Mr. KIND. Mr. Chairman, I rise in support of the amendment.

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, I am one of the named sponsors of this amendment today. I am also a proud member of the Committee on Agriculture.

Just to set the record straight, the amendment that we are offering today is not something that is new. In fact, it is based on legislation that I, along with 56 other Members of this body, introduced last June, the Working Lands Stewardship Act. It was an amendment that we had discussed during the markup of this farm bill in committee at the end of July, with the hopes of being able to discuss with the leadership further about working out some arrangement in regard to what we would like to accomplish.

So with all due respect to the chairman, to claim that this is new or something just thrown upon them in the last 36 hours is not accurate.

Mr. Chairman, I commend the chairman and the ranking member and the other members on the committee and the staff for the hard work that they have done in this farm bill. It is not an easy task to try to craft farm policy to help all our family farmers throughout the country. We can stipulate today that all of us have the intent to try to help our family farmers and the producers in this country under very difficult and challenging times.

I represent a district in Wisconsin. The dairy industry is still the number one industry in the State of Wisconsin. In my congressional district in western Wisconsin, I have close to 10,500 family farms alone who are producing dairy, but every one of them is also producing commodity crops. So the claim that those of us offering this amendment are not working in the interests of family farmers is not fair or accurate.

Today we have a chance to fundamentally reform agriculture policy so all farmers in all regions of the country will benefit under the next farm bill. The amendment we have today takes a little bit of the increase in subsidy payments that will go to the largest commodity producers in the country and will instead move those resources into voluntary incentive-based land and water conservation programs.

As the Bush administration made clear in their statement on farm policy released just yesterday, even they cannot support the committee bill because, and I quote, ''. . . it misses the opportunity to modernize the Nation's farm programs through market-oriented tools, innovative environmental programs, including extending benefits to working lands, and aid programs that are consistent with our trade agenda.''

Our amendment accomplishes all these objectives by relying on flexible and innovative conservation programs that all farmers in all regions of the country can participate in, and it is entirely compliant with our WTO and trade agreement responsibilities.

These objectives are far from radical, as some of our opponents claim. In fact, they are entirely consistent with where the Bush administration's principles and farm policy lie, and it is consistent with the work currently being done in the United States Senate.

This is what the Bush administration had to say in their statement of policy released yesterday in regard to the committee bill:

''Some of our Nation's producers are in serious financial straits, especially smaller farmers and ranchers. Rather than address these unmet needs, H.R. 2646 will continue to direct the greatest share of resources to those least in need of government assistance. Nearly half of all recent government payments have gone to the largest 8 percent of farms, usually very large producers, while more than half of all U.S. farmers share in only 13 percent of the payments. H.R. 2646 would only increase this disparity.''

So Members do not have to take our word for it on the floor, or from others who support the amendment, they merely need to just look at the Bush administration's only statement of policy on the farm bill to understand where they lie in regard to the committee work.

Our amendment provides economic assistance to all farmers who want to meet their environmental challenges. Unfortunately, today, most farmers, ranchers, and foresters are rejected when they apply for conservation payments. Seventy percent of farmers and ranchers seeking Federal funds to improve water quality are annually rejected due to the inadequacy of funding. More than 3,000 farmers offering to restore more than one-half million acres of wetlands are currently being rejected due to the inadequacy of funding. Nine out of ten farmers and ranchers offering to preserve their farms and preserve open space against sprawl by selling their developmental rights are currently being rejected because of the inadequacy of funding. Three thousand farmers and ranchers offering to create wildlife habitat on their farms and ranches are currently being rejected because of the inadequacy of funding.

□ 1345

Three out of every four farmers and ranchers seeking basic technical assistance for their conservation plans on their own land are currently being rejected due to the inadequacy of funding. Unfortunately, just about all of these stewards will continue to be rejected under H.R. 2646 being offered today.

Mr. Chairman, I would like to address some of the specific misinformation spread about this amendment.

Supporters of H.R. 2646 claim that the passage of our amendment will cause irreparable harm to the agricultural economy and to small farmers. Nothing could be further from the truth.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from Wisconsin (Mr. KIND) has expired.

(By unanimous consent, Mr. KIND was allowed to proceed for 2 additional minutes.)

Mr. KIND. Mr. Chairman, in fact, under our amendment, all farmers, including commodity crop farmers, will still receive substantial increases in Federal farm funding. Specifically, our amendment would leave intact a doubling of subsidy payments to commodity producers from what they received under the 1996 farm bill.

How do we pay for our amendment? We find offsets from the largest, the biggest of the big, commodity producers, the 10 percent. In fact, this pie chart shows the universe of farmers in the country today. Seventy percent of our farmers do not produce the commodity crops or receive the subsidy payments that would be affected under our amendment. With the remaining 30 percent of those commodity producers, 90 percent of them are held harmless; and, therefore, the offsets would only come from 3 percent of the farmers or producers in this country. Hardly a revolutionary sea change.

Of those 3 percent, they would still be receiving a doubling of the subsidy payments that they are currently receiving under the former farm bill passed in 1996. Hardly a radical change in policy proposal. What we are advocating in our amendment is simple fairness, simple equity, to recognize that there is a vast universe of farmers and producers in many regions throughout the country that are currently excluded under current farm bills and would continue to be excluded under the new farm bill.

That is why we feel the Boehlert-Kind-Gilchrest-Dingell amendment is fair. It is time for a fundamental change in farm policy. I would encourage our colleagues to support us in this amendment.

Mr. GANSKE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I oppose the amendment offered by my friends and colleagues, the gentlemen from New York and Wisconsin (Mr. BOEHLERT, Mr. KIND).

We do need strong conservation efforts on the farm. The bill itself increases the baseline figures for conservation efforts by almost 80 percent

over the previous bill. The bill already encourages conservation by providing more cost-share assistance and conservation program funding.

I had a meeting with representatives of Ducks Unlimited and Pheasants Forever and other conservation groups in Iowa, and they liked this conservation funding that is in this basic bill. A farm bill must also protect the Nation's food production and maintain stability on our farms and in our rural communities. Passage of the Kind amendment would hinder those efforts.

Over the first 3 years of legislation, if the Kind amendment passed, Iowa farmers would lose over $800 million in support. That, Mr. Chairman, would not be kind to Iowa farm families or the small towns and merchants that depend on their business.

In these troubled economic times, that could precipitate a rural farm crisis like something we saw in the 1980's in Iowa. Over the past several years, the farm economy has been stabilized by support of Congress through supplemental programs. In a time of economic uncertainty in our Nation, the last thing we need to do is to increase that uncertainty in our farm community.

Mr. Chairman, this spring I called for Congress to pass a farm bill this year because our rural communities and farmers need a farm bill now. The tragic events of last month have not changed that. We should move forward this year with a farm bill, and we should move forward with a commodity title that is not reduced by $1.9 billion.

Mr. Chairman, I urge defeat of this amendment and passage of the underlying bill.

Mr. HOLDEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first I would like to commend and congratulate the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) and the gentleman from Kentucky (Mr. LUCAS) and all the members of the committee for the hard work they have done on this legislation over the past 2 years. I would like to thank the chairman for holding a hearing in my district while we were writing this legislation at Cookstown University.

Finally, as the ranking Democrat on the Subcommittee of Conservation, Credit, Rural Development and Research, I would like to thank the committee and particularly the gentleman from Kentucky (Mr. LUCAS) for their significant increase in funding and investment in conservation.

By saying that, Mr. Chairman, I am reminded of the words of our former great Speaker when he said, ''All politics is local.''

Mr. Chairman, not only all politics is local, but all public policy is local. I want the leaders of my committee to know that I take no pleasure in opposing them on this amendment. But at the end of the day, every Member in this body must look at this legislation and see how it effects their State and how it effects their district.

When I look at this legislation, even with its increased investment in conservation, the funding distribution is just not fair to the Commonwealth of Pennsylvania where agriculture is still the number one industry. I believe it is the number one industry in New York or the Northeastern part of the country.

I listen very closely to my mentor and leader, the gentleman from Texas (Mr. STENHOLM) over the last few years, and it is true that as a result of the 1996 farm bill that some of the inequities that Pennsylvania faced and the Northeast faced was brought on by ourselves, by our own producers' unwillingness to participate in traditional programs because we do not grow farm commodities.

So I went and worked very closely with the Commonwealth of Pennsylvania, with their Department of Agriculture. I said, What can we do? What can we bring to this floor to try to have a better distribution of Federal investment in agriculture?

The message was heard loud and clear that we need to have more with conservation. Even with the increase of 75 or 80 percent that the gentleman from Kentucky (Mr. LUCAS) worked so hard for, the distribution still is not fair. If we can get more money into the conservation title, it will give the Commonwealth of Pennsylvania more options to take up the backlog that they have at EQIP or Farmland Protect or CRP or any of the other programs that we have not been able to utilize significantly.

I know this is coming down to a regional vote. I want to commend the leaders for bringing this legislation to the floor, but we all need to look at this. I urge all the Members from the Northeast and from the mid-Atlantic States to look closely at this legislation and examine what it does to each Member's district. I believe we can do better.

Mr. LUCAS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words as Chairman of the Subcommittee on Conservation, Credit, Rural Development and Research in the Committee on Agriculture.

Mr. Chairman, first of all, I think we need to step back and look at the underlying bill that this amendment proposes to change, a bill that makes a dramatic commitment to conservation in this country: 16 billion new dollars over a 10-year period, bringing conservation spending in the agricultural bill to $37 billion over the life of the bill; a $1 billion increase in the EQIP program; increasing the CRP program, the conservation reserve program, to 39 million acres; a million and a half new acres to be enrolled in WRP; $500 million over the life of the bill to go to eradicate and determine and make things happen when it comes to farm land protection; wildlife habitat incentive programs, an additional 25 million a year, ramping up to 50 million a year; a two million acre grasslands reserve program from scratch. It is a major commitment that this committee made.

Now, why do I rise to oppose the Boehlert-Kind amendment? Why do I think that the Boehlert-Kind amendment will add more strings and more restrictions to conservation programs for farmers and ranchers out there? Let us look for a moment at EQIP.

EQIP, the program that is voluntary, that farmers and ranchers use when they think the programs will help them in their conservation efforts and meet their environmental challenges. We had hearings across this topic, hearing from 23 different groups, and 4 basic topics came back from producers in EQIP: Provide more money; reform the priority area system; provide more flexibility; make the EQIP process fair for all producers.

How did we respond in H.R. 2646? We increased EQIP spending from $200 million a year to $1.285 billion a year. Twelve billion over 10 years. The amendment drops that back to 10 billion, a reduction.

Also in the amendment, they spend money on programs that were never requested by producers. The water quality incentives program that gives drinking water utilities, not producers, control over the program. Furthermore, this program adds monitoring and compliance requirements to the EQIP program and then charges the producer for those costs. Why would producers want more regulatory guidelines? Why would producers want to spend money on programs they never asked for or endorsed? Who controls the information collected by these utilities? Not us, and there is certainly no guarantee of confidentiality in this amendment.

The second biggest producer problem with EQIP is that USDA sets up these priority districts with 65 percent of the EQIP funds going to the prioritized areas. What did that cause? Well, that led producers across the country to find that if they were in the wrong county or on the wrong side of the county line, if they were on the wrong side of the river, they were denied funding simply because they were outside of the priority area. H.R. 2646 makes the Secretary consider EQIP contracts on their own merit and value. This amendment retains the current law that forces USDA to set up priority areas that pit producer against producer.

What was one of the other things that producers asked for? They repeatedly stated they wanted more flexibility. This amendment takes away flexibility. It forces the Secretary to commit at least 40 percent of the funds to four particular areas. In other words, 40 percent of the money is tied up from the very get-go, and if the producers do not request those programs as specified, then the money is wasted. The money is lost. It is not available to the rest of EQIP.

What else did producers make clear? They made it clear that they wanted an EQIP program for all producers. H.R. 2646 changed the EQIP program to make the program fair to all producers. It allows contracts to vary from 1 year to 10 in length instead of the current 5- to 10-year contracts. This allows small producers who want to do shorter contracts to use the EQIP program.

H.R. 2646 allows small producers to get paid in the same year they sign the contract. Currently they have to wait a year following the contract to receive their cost share money. H.R. 2646 makes the contract be considered by USDA on its own merit and value. What a concept, judging each contract on its own merit, and H.R. 2646 caps the money that can be spent per year per contract so that money is available to all producers.

The Boehlert-Kind-Gilchrest-Dingell amendment is biased toward certain producers.

The CHAIRMAN pro tempore. The time of the gentleman from Oklahoma (Mr. LUCAS) has expired.

(By unanimous consent, Mr. LUCAS of Oklahoma was allowed to proceed for 2 additional minutes.)

Mr. LUCAS of Oklahoma. Mr. Chairman, it ensures that small and socially-disadvantaged farmers are awarded a contract. It sounds meritorious on its surface, but does this mean that they are the cause of pollution or want a contract any worse than other producers? Of course not. Contracts should be considered on their own merit and value.

Further, this amendment retains the current law that allows the largest producers to outbid small- to medium-sized farmers. I urge my colleagues to vote for their producers. Vote for this environmentally friendly underlying base bill H.R. 2646 and oppose this amendment.

Mr. PETERSON of Minnesota. Mr. Chairman, I move to strike the requisite number of words.

I rise to oppose this amendment. As a leader of the Congressional Sportsmen Caucus who spent a number of months working with a task force that we set up to look specifically at the conservation part of the farm bill, and also spending the last couple of years looking at these programs, we have been working with all interested parties to improve Federal programs that promote soil and water conservation, wildlife habitat, water quality and farmland preservation.

I oppose this current amendment, not because of its intent, but because the amendment really goes too far in some ways at the wrong time. I recognize the hard work and good intentions of my friend the gentleman from Wisconsin (Mr. KIND), the gentleman from New York (Mr. BOEHLERT), the gentleman from Maryland (Mr. GILCHREST) and others, and I even support several of the programs and features that they have in this amendment, but it is simply not possible, and this is the conclusion that we came to, to support this entire package with what it costs and do the kinds of things that we need to do for farmers to keep them in business.

It is not time to start new programs that have not been through the committee process and have not been subjected to hearings and the work that needs to be done, and it is just not possible to do all of the good things that they want to do, in our opinion, and some of it, frankly, I have some concerns about.

□ 1400

Now, Mr. Chairman, the farm bill, as we know, is an act of careful balance and compromise; and we have spent a lot of time trying to come to that. So I ask my colleagues to take a step back and recall the past farm bill debates. My colleagues may remember past disagreements were over how much funding to include for conservation programs. The fights were over whether we are going to keep these important programs from being completely eliminated in some of these bills, and through the years we have struggled to keep and improve the programs that we have.

Now, we have been through, I think, the talk about what is in this bill. There are significant increases for conservation. And in the task force that looked at this, we came to the conclusion that the best thing to do with the available money is put it into the existing programs that have big backlogs. These programs have worked well. They have done tremendous things, the CRP, WRP. They have brought back ducks and pheasants and deer to the levels we have never seen in this country. And with the resources, we just did not feel this was a time to go in setting up new programs that may or may not work or may or may not be the right thing to do.

One of the other big problems with the current amendment is the dramatic cuts it makes in commodity programs that these farmers need. Now, supporters claim these cuts are on the largest farmers that do not really represent family farms. I would just like for everybody to understand that the USDA says that a large farm is one that has more than $250,000 worth of gross receipts. That is 15 percent of the farmers in this country, and the gentleman from Wisconsin (Mr. KIND) is talking about 10 percent.

Well, those 15 percent of the farmers produce 54 percent of the food, and they only get 47 percent of the Government payments. On the other hand, the smaller farmers, the 85 percent that produce 46 percent of the food, they get 53 percent of the payments. So do not get drug into this big-versus-little issue. This will hurt everybody, and the chairman I think did a good job of pointing out that it is not the right kind of solution given the times we are in.

Now, the National Farmers Union, the Farm Bureau, every major commodity group, all reality-based conservation groups oppose the deep cuts this amendment makes. Farmers are on the front lines of conservation. These groups understand that we cannot have successful conservation by eliminating the certainty and the safety net that our farmers need.

Supporters of this amendment may have forgotten that the farm bill is still a work in process. The House Committee on Agriculture has worked over 2 years to develop this bill. We act today in a continuum that includes further negotiations, including a conference committee with the Senate; and at no time has the bill language been set in stone. We have been massaging this as we have gone through. In addition to the large increases in conservation funding provided in the committee markup, there have been significant improvements since then that have been made possible with continued negotiations with the committee.

I want to commend the chairman for his willingness and openness to work with the Sportsmen's Caucus, Waterfowl Task Force, and groups like Pheasants Forever, the International Association of Fish and Wildlife Agencies, and the Nature Conservancy. I think it is regretful that some wildlife groups and the environmental community resisted compromise and negotiation with the committee by endorsing this amendment only a few days after there was committee action.

So I urge my colleagues to join me today and oppose this amendment and support the bill.

Mr. LAHOOD. Mr. Chairman, I move to strike the requisite number of words in opposition to this amendment.

I have served on the Committee on Agriculture, and I am proud of my service there, for 6 years. This is my second farm bill. This is the fairest farm bill that has been put together during the time that I have been here and during the last two times that we have put together farm bills. Dozens of hearings have been held. People have been asked their opinions all over this country. What should we be doing? What should farm policy really be?

There are 51 members on the Committee on Agriculture. It is a broad-based committee. It represents America. It represents the interests of America. One of the authors of this amendment is a member of that committee; and I am told that he had the opportunity to trot out this idea, to offer it in the full committee, but then he realized that it did not have standing in the committee; that he could not find anybody to support it. So what did he do? He either withdrew it or decided not to offer it. So that is why it is not a part of the bill. It is not a part of the delicate balancing act that there needs to be to put together a farm bill to serve the country, not one particular region of the country.

So part of the reason that we should vote against this is because this was tried in the committee; and the committee, for whatever reason, did not

want to vote on it or the gentleman did not have the votes. The gentleman knows there was a debate, he knows he did not have the support, so he decided to get some of the other groups, conservation groups, and bring it to the floor and short-circuit the system that we all have to live under when we bring a major piece of legislation like this to the floor.

So that is one fault with it. I will tell my colleagues the other part. The chairman of the Committee on Science, who is also an author of this and is part of the process here, knows how difficult it is to put bills together. He knows that. He is the chairman on the Committee on Science, and he has done a lot of good work on environmental issues. But the idea that somehow the gentleman was ignored or this issue was ignored is nonsense. It is just simply not true. It was an idea that has been out there. It has been floating around. It was a part of the discussion in the Committee on Agriculture. And so, as a chairman, I would think the gentleman would think better of the fact that if it was brought before the committee, that maybe he would have thought better than to try to short-circuit what went on.

The best name for this amendment is the ''land grab amendment,'' because this affects the idea that we can take a big chunk out of a farm bill that was delicately put together and turn it into something that can be called conservation or preserving the land. I have the largest CRP program in the country in central Illinois and the 14 counties. I take no back seat to anybody, make no apologies for the fact that we have a big conservation program. We are doing an awful lot with conservation, with the Nature Conservancy, with a lot of the different conservation groups; and we have done well by that. But we have done it under the programs established by the Congress, established by the 51 members of the committee who sit on the committee, who worked very hard to put this together.

This is a very, very bad idea because it short-circuits the process. It goes around the process. It simply does not make sense to do this to the chairman, to the ranking member, to the members of the committee, the 51 members of the committee, who had an opportunity to talk about this. There is an increase in conservation. We all know that. That has been well stated here. It is not as if it has been short-circuited. It certainly has not.

The bottom line is if Members want to save the family farm, if they really want to do something for small farmers, if they want to help agriculture, if they really want to send a message to a part of our economy that has been in a recession while the rest of the economy has been booming for the last 5 years, because agriculture has been in recession; and we have passed on this floor $30 billion of additional payments, so that has been taken care of, but if my colleagues really want to help farmers, the small family farm, if they want to save the family farm, if they want to really give opportunity to the small farmer, they will defeat this amendment which sends the message that it cannot be a part of the overall bill. It does not fit. It does not work. It is not a part of what was put together.

This is an opportunity, I think, to really send a message that we believe in the family farm, we are going to help the family farmer, and we are going to do all we can to support the family farm. We are not going to have to pass additional payments year in and year out because we have put together a farm bill. The chairman and the ranking member deserve a lot of credit. They traveled the country. They went to many counties. They went to many States. They listened to people.

This is a good opportunity to say to people we are with you, we are going to help you, we are going to save the family farm. Defeat the Kind amendment.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, I have enjoyed the comments that have been just made; and regrettably, they are useful, but only slightly so. This is a good amendment to a good bill. It is a good amendment that makes a good bill much better.

The President had some words to say to my colleagues on both sides of the aisle the other day. The administration noted that nearly half of the government payments have gone to the largest 8 percent of the farms, while more than half of all the other farmers have received only 13 percent.

Now, where are the cuts that are made here, about which my colleagues on the Committee on Agriculture complain so much in the amendment? They are to the commodity section. But interesting to note is that the commodity section is going to pay more than it has in the past to the American farmer. So the American farmer is going to do fine under this.

LDP payments are increased. But where is the big increase? The big increase in funding under this legislation is to conservation. And it is going in a way which permits all farmers, especially the smaller farmers, to begin to draw an adequate opportunity to participate in funding for conservation purposes.

It is noteworthy, I would tell my colleagues, that three out of four farmers have been turned away from the conservation programs because of a lack of money. Three out of four. This is going to give the little farmer a chance to participate in conservation, where there is an enormous benefit. The only conservation programs that have really received significant increases under the bill are those which have benefited the big farmers, not the little farmers. This switches it.

This takes care of the hunters, the conservationists, the people who are concerned about wise handling of our lands and public resources. It sees to it the money goes into the hands of the little farmer, who will begin to spend money, which he does not now have for conservation, for the protection of fish and wildlife, for keeping our waters clean and safe.

It is not going to benefit some of the enormous hog farmers, or the farmers who, and I am not sure we can really call them farmers, but people who put enormous numbers of hogs or cattle in feedlots and stuff them, producing unbelievable amounts of manure. We can use other laws to address those problems by making them clean up as polluters, if they in fact are doing that.

The amendment offered by the gentleman from Wisconsin (Mr. KIND) increases the Wetland Reserve Program, it increases the Farm Protection Program, it increases the Wildlife Habitat Incentives Program, it increases funds for conservation of private grazing lands, it increases the Grassland Reserve Program, and conservation technical assistance. Those are things which we need to do in the interest of all. The Conservation Reserve Program, a program which will assist transition from conventional to organic farming programs, those are things which are important.

I have listened to some of my colleagues tell me how the real conservation organizations favor the bill. Perhaps. But the real conservation organizations favor the amendment. The International Association of Game, Fish and Conservation Commissioners, Sierra Club, the National Wildlife Federation. Every meaningful conservation organization. Ducks Unlimited, Pheasants Unlimited. Those organizations support the amendment.

What we are seeking here is an opportunity to benefit all of the farmers; to increase money going to the real farmer, to the family farmer, and to the little farmer to enable them to spend money for conservation, for programs which benefit everybody and which responsible farmers like.

I met with some farmers who came in to see me the other day. They were complaining about my support of this amendment. I said, it is going to leave you with more money for your commodities programs. It is going to leave you with much more money and access to conservation programs that are good. What are your complaints? They really had no complaints.

If this is explained properly to the farmers, they will understand and they will see that what we are doing is good. I urge the adoption of the amendment.

Mr. GUTKNECHT. Mr. Chairman, I move to strike the requisite number of words.

It has been interesting listening to this debate, and again we are wandering a bit far afield. I want to clarify

one thing for the benefit of all Members.

□ 1415

Mr. Chairman, Pheasants Forever supports the base bill as it is written. I want to come back to two very important facts that Members seem to be getting away from.

Fact number one, this is a farm bill. Did everybody hear that? This is a farm bill. This is not an environmental bill, and Members need to think about that.

Fact number two, this bill increases conservation programs by 78 percent. I understand that may not be enough for some people, but that is a huge increase. The gentleman from Michigan (Mr. DINGELL) just talked about farmers who were turned away on some of the conservation programs. He was evidently talking about the EQIP program. We increased that program under this bill from about $200 million to $1.2 billion. That is a huge increase.

But what this amendment is about is redefining what a ''real farmer'' is. We just heard that expression. A real farmer is somebody who farms full time. When I hear these arguments, even coming from some of the folks in the administration who have never seen a real farm, they do not seem to understand that out in places where we really farm, farmers do not farm 20 or 30 acres any more. To be a real farmer, farmers have to farm 400, 600, 800 acres, or more.

According to the research that we have from FAPRI, which is an independent, nonpartisan farm consulting group, they said that this amendment will cut payments to farmers who grow more than 409 acres in Minnesota, the payments they could receive, by two-thirds. That is devastating. Two-thirds. Somebody who is growing 409 acres of corn in Minnesota is not a big farmer. That is not a corporate farmer.

Incidently, in the State of Minnesota, and in most States now, we have outlawed corporate farming. There are no corporate farms. The only corporate farms we have are family-owned corporations where a brother, a sister, two brothers, a family has created a corporation.

This is bad business. We have to talk about that average family farm. It is going to affect them. One of the things that we have tried to do in this bill, and I congratulate the chairman and the ranking member because I think they have come together and realized one of the weaknesses we had in farm policy is we did not have a countercyclical program. We gave people too much money when prices were good; and then we had to come back with these supplemental programs when prices were bad.

Mr. Chairman, we want predictability not only for that average farmer, we want predictability for the Federal budget. This is a good bill as written. We cannot afford to strip away $1.9 billion every year from that average family farmer, to take away that support in the countercyclical payments, and put it into additional conservation programs. Seventy-eight percent is more than enough. This is a farm bill, not an environmental bill. Defeat the Kind amendment. Pass the bill as written.

Mr. OLVER. Mr. Chairman, I move to strike the requisite number of words.

(Mr. OLVER asked and was given permission to revise and extend his remarks.)

Mr. OLVER. Mr. Chairman, in its current form, the farm bill before us shortchanges conservation programs that serve farms and ranches of all sizes all over the country while increasing subsidies for large, often corporate operations that are producing commodity crops in specific parts of the country.

Many farmers and ranchers want to be good stewards of the land, to restore lost wetlands, grasslands, and implement a variety of other practices to protect wildlife habitat. There is a long list of farmers eager to participate in conservation programs. Currently, 67 percent of the payments go to only 10 percent of the farmers, excluding most of our Nation's farms.

The Boehlert-Kind amendment makes payments available to more farmers in more regions of the country by funding conservation programs from which all farmers can benefit because they are not based primarily on the level of production of a narrow group of crops. The Boehlert-Kind amendment shifts only about 2.5 percent of the overall dollar authorization in this legislation away from the largest corporate producers and increases the funding for land conservation programs in every single State in the country.

Furthermore, President Bush does not support the committee's bill in its current form. The statement of administration policy states that the farm bill, ''Misses an opportunity to modernize the Nation's farm program through innovative environmental programs, including extending benefits to working lands.''

The Bush administration also criticizes the bill for encouraging overproduction when prices are low and for failing to help the agricultural producers most in need, especially smaller farms and ranches.

Mr. Chairman, we have an opportunity to address these flaws by voting in support of the Boehlert-Kind-Gilchrest-Dingell amendment. This amendment will aid small and medium-sized agricultural producers while expanding conservation programs. I urge all Members to vote ''yes'' on the amendment.

Mr. GILCHREST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a few comments about statements by some of the previous speakers. First of all, I want to tell the Nation that we are here concerned and continue to work on the problems that occurred in New York, Washington, and Pennsylvania. We are working to make America safer, more secure, and more economically viable, even though we are strongly debating differences of opinion in the agriculture bill.

Mr. Chairman, I also want to say that the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) have done a pretty good job on this agriculture bill because they have funneled dollars where they needed to go. My disagreement is the equitable distribution of those dollars and the number of dollars. Not in the Committee on Agriculture, but I worked with the gentleman from Texas (Mr. STENHOLM) some years ago on nutrient management problems. In my area it was poultry, and in his area it was dairy. There are many of us not on the Committee on Agriculture that live in agricultural communities. I am the first generation of my family not born on the farm, and yet I have an intimate relationship with agriculture.

I thank the gentleman from Oklahoma (Mr. LUCAS) for his increase in conservation dollars, and I trust his judgment because he is a good and fine gentleman.

Mr. Chairman, the issue here with me is the perspective on the equitable, my word, equitable, distribution of dollars, throughout the Nation toward those farms with a sense of urgency that are in the most need over the next few years. They are out there.

This amendment goes a long way towards dealing with agriculture that is intimately related with environmental issues. Agriculture deals with soil, one of the most complex things on Earth.

As a matter of fact, when one thinks about milk, think about buying a carton of milk. Does one think about going to the store and pulling it off the shelf; or do my colleagues think about the sun shining on grass, and then the whole natural process that goes from there to producing milk. Agriculture is intimately tied in with environmental issues, with the mechanics of natural processes.

So the issue here is how do we keep our rural areas economically viable? How do we keep our rural areas rural? Well, we do that by creating a situation where agriculture can be unique and profitable. And how does agriculture remain unique and profitable? It remains unique and profitable if those farmers can not only produce the corn, the wheat, the poultry, the hogs, the milk, et cetera, et cetera, but close to where they produce it, they can process it. They can package it. They can market it within a particular region. It is value added.

How else do we keep this rural area viable? We keep it environmentally sound. The conservation in this amendment goes a long way into making those rural areas environmentally pristine. The water quality is going to improve. The forest habitat is going to

improve. The wildlife habitat is going to improve.

As a matter of fact, contained in this amendment is a unique perspective on the conservation programs. Up to this point the conservation programs were applied to one farm at a time. What we do in this amendment is to help create a regional approach so many farmers can get together and submit these plans to USDA, and then get those dollars for a regional approach. It does not have to be just one State, it could be in a multistate region.

In my area of Delmarva, we have Delaware, Maryland and Virginia. We are working on what we call Chesapeake fields, to keep agriculture viable, profitable, and environmentally sound, and create a conservation corridor from Virginia to Pennsylvania for wildlife.

There has also been some discussion that I have heard here today and I have heard in the last few days about hobby farmers. Well, just because a farmer has a small farm and just because a farmer's wife has to work in the bank or is a schoolteacher or drives a bus does not mean that farmer is not putting his heart and soul and grit and life into that dirt to make that farm profitable because that farm was received from the farmer's great, great grandparents 200 years ago; or maybe the farmer is a recent farmer.

Mr. Chairman, this is not about small farmers getting a subsidy because they are not competitive with the big farmers, and I do not want to go where some of us have gone pitting the big farmers against the small farmers. This is about preserving the infrastructure of agriculture for itself, for water quality, for wildlife habitat, but mostly to preserve the family farm because that is American.

Mr. GEORGE MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Chairman, I hope that we pass the Boehlert - Kind - Gilchrest - Dingell amendment. I think this is the most important amendment because I think this is really an amendment about the compact that will be forged in this country, about the future of farming in this country.

We used to have a colleague in this Congress from Minnesota, and he used to get up and talk about the farm bill. He was on the Committee on Agriculture, and he would say we have doubled the productivity of the American farmer every 10 years. And he would say the way we did it was we put half of them out of work during that 10-year period so there are only half as many left.

We have had farm bill after farm bill after farm bill, and year after year what we hear about is the distress in farm country and the plight of the family farmer, about the people moving to the cities, and the people who cannot leave their farms to their children and cannot produce and make a living, and somebody else in the family has to take a job.

My colleague stood up earlier and said this is not an environmental bill, this is a farm bill. Well, America has gotten a lot smaller, a lot more crowded. Farmers cannot farm in isolation any longer.

The problems in the Chesapeake Bay, the problems in the San Francisco Bay, the problems in the Gulf of Mexico, the problems in Santa Monica Bay and Puget Sound, many of them start hundreds of miles away on farmlands where farmers do not have the capability, the resources, the wherewithal to protect the runoffs, to protect the offsite impacts of their work.

This committee has struggled with that, and the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) have addressed that; but this amendment has made the determination it has been insufficient.

The problems in San Francisco Bay are created by huge dairies in the Central Valley, huge cattle feeding yards in the Central Valley. For years, the runoff ran into the creek; from the creek it ran into the San Joaquin River; from the San Joaquin River it went to the Sacramento River; from the Sacramento River it went into the San Pablo Bay; and from the San Pablo Bay it went into the San Francisco Bay.

Farmers cannot farm in isolation any longer. The connections to our commercial fishery on the Pacific Coast, the problems that we have, many of them start on the farmlands many, many miles away.

□ 1430

The protection of habitat, the protection of riparian areas, absolutely crucial to one of the great delta regions in the world, is about the effort and giving the resources and the ability of small farmers and ranchers and others to farm their land in an environmentally sound way and continue to make a living doing so. This is not a great contest between the environmentalists and the farmers. In fact, if there had not been so much resistance to this amendment, I suspect it could have been incorporated, and for many of the things that people are criticizing it about, they are criticizing because it was not worked out in the committee.

But the fact of the matter is we need this amendment. We need this amendment. After the next reapportionment, there will be fewer people representing rural America. We need a compact that brings America together around farming. There is no shortage of production in the world. We know that soybeans are being produced at much lower prices and the cost of production in Brazil is threatening our industry in this country. The question is under what arrangements and what contracts and what agreements will we make sure that that production takes place in America?

And so you have to deal with the externalities, just as Dupont has to deal with the externalities of their business in their chemical plant or Chevron in their refineries or any other business has to deal with the externalities.

We have become a very crowded country on the coast, if you will, for the most part. And the people down in the dead zone, in the Gulf of Mexico are very interested in the farming practices up north. That is what this amendment is about. That is why it has such overwhelming and such an incredible diverse support of interest groups supporting it. It is about the stewardship in this millennium of America's lands, of America's crops, America's habitat, America's wildlife, America's fisheries and America's family farmers. It is about sharing the effort that we make in this country to keep family farms on the farm.

We have not had a great deal of success. We have not had a great deal of success. We have had a lot of farm bills, but we have not had a lot of success. So maybe we ought to just broaden our thinking and understand that this is one more tool.

Many people fought the alternative energy and wind energy. Now we are seeing the farmers are turning to that because it can lend income to their land. With maybe less than the use of 5, 6 percent of their land, they can develop substantial resources and they can stay on the land and they can continue to farm. I thought that was our interest. I thought that was our interest, was keeping families on the farms. It is an important part of our society.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from California (Mr. GEORGE MILLER) has expired.

(By unanimous consent, Mr. GEORGE MILLER of California was allowed to proceed for 1 additional minute.)

Mr. GEORGE MILLER of California. Those of us from the urban and the suburban areas ought to understand the nature of doing that. I think it is an important decision for a society like ours to make, the commitment of keeping families on the farm. But apparently we have not been able to do it as we have just shoveled the subsidies to the largest of the farmers or the largest of the commodity brokers. Something has gone wrong in this policy. This is a chance to rework it and see if there is a way to get other resources to those family farms. You already made the decision, you would not make this in any part of the economy, that half of the income is coming from the government.

So the question is what is the benefit for the other half of America? We appreciate the crops and the foods. We all know the fact that we pay less than almost any other country in the world. But I think this is really about the future compact. I think this is about the

future of farming. I think this is about the sustainability of that farming, and I think it is about forging a political alliance between urban, suburban and rural communities, about the importance of making sure that we maintain the family farmer on the family farm.

Mr. Chairman, I rise today in strong support of the Boehlert-Kind amendment. This amendment would improve the way the Federal Government helps farmers and the way we conserve valuable American farmland.

At issue today is whether we are going to continue a farm program that favors certain agricultural users over others or whether we will spread that significant Federal farm subsidies more equitably throughout the farming community.

The Boehlert-Kind amendment will benefit more farmers by shifting nearly $2 billion a year in traditional Federal commodity crop subsidies to conservation programs that benefit farmers and the environment.

We all recognize that the farm bill before us today, like the farm program that it seeks to change, significantly rewards the producers of commodity corps—corn, cotton, soybeans, wheat, sorghum, rice, barley and oats—to the exclusion of non-commodity crop producers.

That hurts a lot of farmers, and a lot of states. Take California, for example.

While California generates one-eighth of the country's agricultural production, it gets very little Federal agricultural assistance—primarily because we grow specialty crops and not commodity crops.

California farmers receive just 2 cents in subsidies on every dollar of production. Meanwhile, farmers in the major commodity producing states receive at least 17 cents in subsidies on the dollar for their agricultural production.

The status quo is not equitable and needs to be changed.

This serious inequity must be addressed. But it is not the only reason to vote for the Boehlert-Kind amendment.

Voting for this amendment is also a vote to protect America's precious open spaces and environment.

I applaud Chairman COMBEST and Ranking Member STENHOLM for recognizing the importance of conservation programs and increasing funding levels for these programs.

Unfortunately, I strongly believe that conservation and environmental programs need funding over and above what the Agriculture Committee has approved. The Boehlert-Kind amendment increases the overall level for conservation funding while better defining the conservation programs.

For example, the Boehlert-Kind amendment improves the Committee's Conservation Reserve Program by preventing the loss of over 30 million acres of tall grasslands. As many of my friends that hunt know, tall grasses are needed for ducks, pheasants, and other wildlife to nest and hide. This important change to the Conservation Reserve Program is why the National Wildlife Federation and Ducks Unlimited support this amendment.

The Boehlert-Kind amendment also ensures that lands chosen for conservation programs are selected because they will actually improve environmental quality. Unfortunately, the Committee bill weakens the use of environmental merit for selecting lands in conservation programs.

The Committee bill provides no new money for technical assistance, even while promising new technical staff to help the country's largest animal feedlots. The Boehlert-Kind amendment provides funding for technical assistance, which is why the California Association of Resource Conservation Districts support the Kind amendment.

In California, increased funding and reformed environmental programs will make a big difference to our communities.

The California Farmland Conservancy Program can begin to address the 3,500 acre backlog of land farmers want to enroll in the Farmland Protection Program.

California water quality will improve by increased funding for the Environmental Quality Incentives Program (EQIP) which helps California farmers adopt practices to reduce the level of sedimentation, nitrogen and phosphorous runoff into California waters. Currently, the EQUIP program has a $35 million backlog.

Food control and wildlife population will improve by increased funding to the Conservation Reserve and Wetlands Reserve Programs, which faces an $85 million backlog.

In addition to support from the conservation community, the Boehlert-Kind amendment is also supported by the California Winegrowers, San Diego and Riverside County, Association of California Water Districts and California Irrigation Association.

The status quo has to change. Our best chance for reform is with the amendment my colleagues Mr. BOEHLERT, Mr. KIND, Mr. GILCHREST, and Mr. DINGELL are offering today.

Support the Boehlert-Kind amendment.

Mr. OSBORNE. Mr. Chairman, I move to strike the requisite number of words.

I appreciate the efforts of the gentlemen who have offered the amendment. A lot of work has gone into this. But I rise to oppose the amendment for several reasons.

One reason is simply the issue of the Conservation Reserve Program. We currently have 36.4 million acres allocated to CRP. We are currently at the present time using only 33.5 million acres of CRP. The amendment would increase CRP to 45 million acres at the cost of several billion dollars. Why in the world would we increase CRP to 45 million acres when we are not even using the 36.4 million acres we now have allocated?

The amendment would allow anywhere from $2 to $4 billion for conservation easements. These easements would result in land being put into conservation practices that can never be taken out again. Currently, the Federal Government in the United States controls, or owns, over 30 percent of the land in the Nation. We do not need the Federal Government controlling more land. I can tell you for sure that most private landowners do not want this to happen.

Then, thirdly, I had mentioned the fact that the amendment as it is presented shifts money from those people who are involved in production agriculture to many individuals, not all, who are part-time farmers, who are people who own land for recreational purposes, and I do not think that is the purpose of a farm bill.

Some people have said, well, we are just going to shift money from the wealthy 10 percent of farmers. In my State, Nebraska, that means anyone who has 500 acres or more in base crops. The average size of a farm in Nebraska is 900 acres. So what we are talking about here is taking money from medium-sized and some small farmers to pay the $19 billion that this bill is going to cost, $1.9 billion a year. Over $500 million will be lost in the State of Nebraska alone.

I would like to explode a myth that I keep hearing floated around this body, which really begins to bother me, and, that is, that our farmers are getting wealthy by receiving checks at the expense of the general public. If that is true, why do we have thousands of people leaving farming each year? One thousand farmers a year leave my State of Nebraska. Currently, most of our farmers are telling their children not to go into farming.

We have no young farmers left in the United States. Forty years of age is a young farmer. The average age of farmers in my district is 60 years of age. Three-fourths of the farms in our country rely on off-farm income. That means the farm wife and oftentimes the farmer, too, is driving 10, 20, 30, 40 miles to work and usually these are $6, $7, $8 an hour jobs so they can stay on the farm. If that is the case, then why in the world do we say that we are making people wealthy in farming at public expense?

Lastly, just let me say this. There are 84 different groups that support the base bill. Eighty-four groups support the bill. Why is this that they support it? It is because of the process that we have gone through. Nearly every one of these groups has appeared before the Committee on Agriculture and they have been required to write the farm bill. They know what it takes, they know it is a disciplined procedure, they know it is very involved and that it is very difficult to do. They appreciate that process. It has been 2 years in the making. The two gentlemen who have authored this bill primarily are people who have spent their entire life in agriculture. They have been on the Committee on Agriculture through several bills. They know what they are doing.

It is sort of deja vu for me, because I used to be in a business or in an enterprise where we would spend 90 hours a week preparing for a contest. Then we would have people come in and say, ''Well, we don't like the way you did it.'' And we would say, ''Well, what would you do?'' And they could never give you an answer.

And so we have an administration that does not like it, but they cannot give us an answer. We have one of our leading financial newspapers that does not like the bill, but they do not have a bill. We do not know what the Senate is going to do, and so we better start

acting now while we have a chance because there is not apt to be very much money next year for agriculture.

I urge support of the bill.

Mr. HASTINGS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. I want to make it crystal clear to all of my colleagues, but especially to the sponsors of this amendment, all of whom are my good friends and for whom I have the greatest respect. I want them to know that I fully support the spirit of their amendment and in the past have supported similar freestanding bills. It is the substance of this particular amendment that I object to, and my objection can be distilled to one word: jobs.

At a time when a different company each day announces massive layoffs, this amendment in my opinion would ultimately mean more unemployed people in this country. And, by the way, these are not people, by and large, who can just switch from company to company. No, some of these people are some of our Nation's farmers, the people who actually put the food on our table. In mine and the district of the gentleman from Florida (Mr. FOLEY), 50 percent of all the winter vegetables in this country are grown in the Glades area that we represent. These people help to put clothes on our back. I will not stand on this floor and support an amendment which will put some of the hardest working people in this country and in my State and district out of work. I exhort my colleagues to think about this before they cast a vote on this amendment.

Sometimes we speak from personal experiences here on the floor, and some people who claim some interest in farms visited their grandmama or grandpapa at some point during the course of their lifetime on a farm and do not know very much about it, and some would argue, ''Well, what do you know?'' Well, I come with the experience as a boy of having been a migrant laborer. I picked beans, cut chicory and stripped celery in the district, interestingly enough, that I am now privileged and honored to represent.

Mr. Chairman, I applaud my colleagues who have moved this amendment. Like each of them, I am proud of the environmental record I have accumulated in 9 years in this House of Representatives. In fact, according to the League of Conservation Voters, I have one of the highest environmental ratings of any Member in my State and most Members in Congress.

But let me get down to brass tacks. I wish we had the money to do everything we need to do today, not only about this, but certainly about the residual of the events of September 11. I wish we had the money to increase funding for conservation and make certain our farmers get what they need. Unfortunately, this House, in my opinion, passed an unwise tax cut months ago, and we must now live with the consequences and within the budget that we passed. The gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) have recognized that and have forged a good farm bill for us all to consider, and they are to be complimented along with the gentleman from Oklahoma (Mr. LUCAS) and the subcommittee as it pertains to this particular measure being debated.

This is not an either-or situation. It is simply a false argument to say that you are either for conservation or for farmers. I am both. And the authors of this bill, Chairman COMBEST, Ranking Member STENHOLM and others, have provided $16 billion for conservation programs. This represents a 75 percent increase over current funding. A 75 percent increase. I challenge any of my colleagues in the House to find another program that we give such an increase.

Look, there is an old expression around here that everything that needs to be said has been said, but everyone has not said it yet, so I am not going to go on much longer, Mr. Chairman, but I think the ranking member of the committee the gentleman from Texas (Mr. STENHOLM) had it right when he said that this amendment cuts the legs out from under our farmers. I could not agree more.

I urge my colleagues to reject this amendment and support the underlying bill.

Mr. GOODLATTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Kind amendment. I want to commend the gentleman from Florida for his comments, because I think they help us to focus on what our farm bill is really about. It is about American workers and American consumers. That is how I think we have to examine this amendment. In my opinion, this amendment is going to do great harm to the American workers that the gentleman from Florida just spoke to but also to the American consumer. The reason is this: This farm bill is dedicated to the proposition that America is a land that has been noted throughout its history for producing the greatest, most abundant, safest and most affordable food supply anywhere in the world.

□ 1445

That is what this bill is designed to do. The Kind amendment will have a devastating effect on our ability to hold down food prices in this country because we will do something that is totally inappropriate.

The base bill has an 80 percent increase in programs that promote conservation in this country, and that is good. Nobody in this room does not want to protect our environment. But when you increase that money by 400 or more percent, you are wasting that money. You are using it in ways that will take land out of agricultural production unnecessarily and increase the cost of producing grains and other food items across this country.

My farmers in Virginia, by and large, are those very folks that have been described here today who have another job in town and spend a good deal of their time attempting to make some living off of the agricultural production they have. They are mostly cattle farmers, dairy farmers, and the largest production in my district is poultry, chickens, and turkeys.

Now, these folks, in order to have a profitable livelihood, spend the vast amount of the cost of their production on buying grains from Midwestern farmers. When the price of those grains goes up because the amount of production is down, then the cost that they have to spend goes up; and for a poultry farmer, 80 percent of what they spend their money on are grains. When they do that, when the price of grain goes up, it devastates the profitability to them. That in turn results in increased costs.

Whether it is a product that directly comes from the grain, like bread and pasta and so on, or whether it is a meat product that is fed by those grains, either way the cost to the consumer goes up significantly with this amendment.

The second reason I oppose this amendment is that we are attempting to rewrite the farm bill here on the floor, when we could have had the opportunity to debate this in the committee. The amendment was discussed and withdrawn, and it was not voted on. We did not get a vote, as the gentleman from Illinois accurately portrayed earlier, from the 51 members of the Committee on Agriculture, to see what America's farmers feel. Some here have stood up and said we are doing this for the farmers. The 51 members of that committee represent America's farmers as well as anybody, and I can tell you this amendment was withdrawn because it would have had no chance of success in that committee.

Finally, I am the chairman of the Subcommittee on Department Operations, Oversight, Nutrition and Forestry; and I want to say that this amendment would have a devastating impact upon the forestry programs that have been built into the farm bill. For the first time we have a significant increase in the attention we are paying to the management of our forest lands, both public and private. This bill does the private part of that.

The amendment has redundant programs. The amendment has changes in it that eliminate important accountability requirements. Existing easement and cost-share forestry programs and the FLEP program require the involvement of the State foresters and the stewardship coordinating committee, made up of a broad cross-section of conservationists. These programs secure State, community, and local support for their objectives. The Boehlert-Kind approach gives the authority to Washington. It ignores local

priorities and has no reporting mechanism to tell Congress what they achieve.

This is not good government, it is not even good conservation, and it is certainly not a good use of the taxpayers' limited dollars.

The Watershed Forestry Initiative contained in the amendment limits the practices available to land managers to achieve their goals. Forestry management is extremely complex and varies tremendously across the country.

I urge my colleagues to retain that flexibility included in the underlying bill to promote good conservation with a reasonable increase in that conservation, but, most importantly, to look after the consumer and the American worker.

Mrs. TAUSCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support this amendment because conservation payments will help boost farm and ranch income without encouraging production of even greater surpluses that lower crop prices.

As the Bush administration reported 2 weeks ago, traditional crop subsidies have triggered the production of huge surpluses that have lowered crop prices. Congress has responded by providing emergency payments to farmers, but these payments have also encouraged even greater production and even greater surpluses.

In particular, the Bush administration concluded that these subsidies have inflated farmland prices, making it harder for smaller producers to compete. The challenge, Mr. Chairman, is to boost farm and ranch income without triggering the production of huge crop surpluses. Conservation payments, unlike subsidy payments, cannot be used to produce more crops, but are instead used to change production methods to help the environment.

Conservation payments have two additional benefits: they reward farmers for protecting and improving water quality and wildlife habitat, and they ensure that we comply with our international trade agreements.

Finally, Mr. Chairman, farmers want to conserve and provide more open space. Nationally, more than 190,000 farmers were rejected this year when they sought water quality grants from USDA. In my State of California, farmers are facing a $122.8 million conservation backlog. Across the country, farmers are facing a $2 billion conservation backlog. This amendment will help all farmers boost their income without triggering the growth of huge surpluses that lower crop prices.

I urge my colleagues to adopt the Kind amendment.

Mr. PETRI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the bipartisan amendment before us, because it provides us with a tremendous opportunity to combine needed agricultural assistance to a broad array of farmers with environmental protection.

I would like to first of all commend the chairman of the Committee on Agriculture and ranking member, who authored the underlying bill before us, for incorporating significant increases in our conservation programs. But the fact is that we can do more. We should do more to ensure that all of our Nation's farmers have equitable access to Federal assistance by further expanding our conservation programs. This amendment provides much of this needed equity.

I share the disappointment of many farmers in my own area of Wisconsin who seek assistance for sound environmental practices, but are turned away because these programs are oversubscribed.

The benefits of this amendment for a State like Wisconsin are obvious. The dairy farmers, especially crop producers that dominate my State's agriculture, will have an opportunity to access assistance that would otherwise be unavailable to them. Farmers in my area will receive an 8 percent increase in agricultural assistance under this amendment compared with the base bill.

At the same time, this amendment does not preclude commodity producers from accessing this assistance either. The amendment simply increases the Federal Government's encouragement for sound environmental practices and gives all farmers a greater opportunity to receive assistance.

Mr. Chairman, the amendment moves the bill significantly in the direction requested by our President and our Secretary of Agriculture as outlined in their submission to the Congress and the country, over a 100-page agriculture policy statement. They have been working on this. Along with the Senate, I hope we can work better as a team with our administration.

Mr. KIND. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, I thank the gentleman for yielding so I may clarify a couple of points.

Again, our amendment and the offsets we would find under the farm bill would affect 3 percent of the farmers in this country. We hold harmless 90 percent of the commodity producers who are currently receiving subsidy payments. Of those 3 percent, they are still going to be receiving under our amendment to the base bill a doubling of the subsidy payments that they were receiving under the last farm bill passed in 1996, which just goes to point out the intense concentration of subsidy payments going to a few, but very large, commodity producers throughout the country.

Perhaps Mike Kort, the Nebraska corn farmer who received $73,000 in subsidy payments last year alone said it best: ''There have to be limits. Why are we giving millions of dollars to millionaires?''

There has been some reference that we bypassed the committee process. Nothing could be further from the truth. We did not spring this amendment on people. We had a discussion in committee. We tried working with the committee and the staff to try to work something out before the bill came to the floor.

But the truth is this: over 80 percent of farm bill funding goes to 15 States in this country; over 80 percent to 15 States. Those 15 States are very well represented on the Committee on Agriculture. This is a democracy. There are 35 other States that would like to have a say in the crafting of farm policy. There are 384 other Representatives who do not serve on the Committee on Agriculture who also have a right to be heard in regards to the direction of our support for family farmers in all regions. That is why we are here today discussing this amendment.

Mr. BARRETT of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am proud to stand today to urge the passage of the Kind-Boehlert-Gilchrest-Dingell amendment. This amendment supports incentive-based measures critical to the success of farming and conservation programs.

As we stand here this afternoon, hundreds of thousands of farmers seeking Federal assistance to improve water quality, preserve threatened farms from sprawl or restore wetlands, grasslands and other important wildlife habitat are rejected due to inadequate funding. Nationwide, half of the farmers seeking technical assistance are rejected due to lack of funding.

This amendment would boost funding for farmland and wildlife habitat protection programs, boost funding to reduce runoff and restore 300,000 acres of wetlands each year. It would also provide grants for farmers' markets, boost funding for planting trees along urban rivers, eliminate barriers to organic food production, and encourage forest protection and enhancement.

Increasing the annual funding for voluntary incentive-based conservation programs not only will help protect the environment, but also will contribute to farm and ranch income, ease regulatory burdens, and reduce water treatment costs.

Unless we reward farmers when they meet our environmental challenges, one-third of our rivers and lakes will remain polluted and millions of acres of open space will be lost forever.

Mr. Chairman, I urge my colleagues to support this amendment, and I thank the gentleman from Wisconsin (Mr. KIND) and the other cosponsors for their leadership demonstrated in the changes proposed.

Mr. THUNE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, appreciate my friends and what they are trying to accomplish with their amendment. I believe that they are well intended. But

the fact of the matter is, this does have a devastating effect on all the people that we are trying to help with this bill. In fact, the analysis referred to earlier suggests that South Dakota, my home State, would lose $245 million in the first 3 years of this bill under this amendment.

Now, there has been a lot of discussion today about big States and small States and some discussion about reapportionment; and while some of the bigger States are figuring out how they are going to redivide their congressional representation, South Dakota does not have that problem. We only have one in the Congress, and so does North Dakota, with my colleague, the gentleman from North Dakota (Mr. POMEROY), and other States in the rural areas of this country.

We do not have a lot of people in South Dakota. We have about 730,000 people in my State, about 32,000 farmers. Yet those 730,000 people grow the food that feeds the world. You look at any list of production in South Dakota, whether it is wheat or corn or soybeans or livestock, or any of the areas in the Midwest. Those rural areas do not have a lot of people, but we grow a lot of food and we raise a lot of crops. It is the family farmers who are doing that.

There has been some discussion about who it benefits and who it helps. Granted, when we went across the country and had hearings, I went to places in the United States that I am not all that familiar with in terms of their farming techniques and practices. We went to California and we listened to people who raised fruits and vegetables, and we went to Kentucky and heard from people who grow tobacco. Those are not things that I am intimately familiar with when it comes to farming practices and techniques.

Yet we had to structure a balance in this bill that takes into consideration all the various aspects of agriculture, all the types of producer groups around this country. And we heard from all of them. The committee was diligent in gathering testimony and taking written record and hours and hours and hours of testimony from producers from all across the United States about what they wanted to see in a new farm bill.

What we came up with was this product. Granted, it may not be perfect. There were things in here that I would like to change, there are things I would like included, there are things I would probably like to have taken out. But the reality is, this is a balance; and we have to do our best to accommodate all the various interests.

I want to tell Members something: the environmentalists did not get slighted in this bill. The EQIP program is the Environmental Quality Incentive Program. It is currently funded at about $200 million a year. This bill increases that to $1.2 billion a year. The reason there are so many people lined up because there is not enough funding is because it was not funded adequately.

□ 1500

This bill address that problem. The environmental communities, the conservation communities, they were all heard from. Everybody had an opportunity. We spent 18 months, 18 months to get to where we are today. We have a balance. Everybody may not like it, but the reality is we have to take what we have and work with it.

We have farms in South Dakota, on average about 1,300 acres. There are places I saw when I went across this country. We have bigger gardens in South Dakota than some of the farms that people are talking about here on the floor today, those small acreages. I understand that. Everybody comes to this debate wanting to make sure that their views are represented. But the fact of the matter is that we have to find and strike that balance that represents all of the agricultural interests and the conservation interests and the environmental interests and try and do it in a way and put a bill together that is good for American agriculture. We have tried to do that with this legislation.

Unfortunately, Mr. Chairman, what I would simply say, inasmuch as the authors of this amendment are well intended, that if this amendment is adopted to this bill, it will destroy what is a very fragile and delicate balance which has been built up over the last 18 months with thousands and thousands and thousands of pages of testimony, and hours and hours and hours of hearing from the groups who have an interest in this debate.

It is important, Mr. Chairman, that we move forward and that we defeat the amendment, that we adopt the final bill, and make sure that those farmers in places like South Dakota who are producing the food and fiber that is feeding the world get out of this economic recession that they have been in for the last 5 years. It is not new to them. We are talking about a recession in this country now, but believe me, the people in my State and in the Midwest and the rural areas that grow the food know what this recession is, because they have been in it for the last 5 years.

Mr. Chairman, this is about food security for America. That is what this debate is about. We need to keep this balance together and move this bill forward and do it so that we can get a farm bill passed and signed into law.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been through five of these debates on farm bills now over my almost 23 years here, and at this point in time I usually come to the same conclusion. I come back and think of the words of Will Rogers when he said, ''It ain't people's ignorance that bothers me so much, it's them knowing so much that ain't so is the problem.''

As I have listened to so many well-intentioned individuals who support this amendment, which I am very enthusiastically opposed to, we tend to stretch the truth for all good and valid purposes. Let me say this. As I attended all of the 10 field hearings last year and most, if not all, of every one of the full committee hearings this year, I, at some point in time, acknowledged that this was going to be the greenest farm bill in the five that I have participated in and I was going to be supporting it.

To those that criticize us for not having a green enough farm bill, look at it compared to, we have heard the numbers, a 78 percent increase in conservation. Now, I wanted $5 billion. I could have stood on this floor with those of my colleagues who are for the Boehlert amendment today and argued for them. In fact, I did. Earlier this year, when I supported the Blue Dog budget, we had $5 billion a year for conservation. The gentleman from New York (Mr. BOEHLERT) and the gentleman from Maryland (Mr. GILCHREST) voted no. The gentleman from Wisconsin (Mr. PETRI) voted no. I can go down the list of everyone else who were original cosponsors of the bill, that when they had a chance to put the money in to do what they say today, they did not do it. Which is fine.

I want to say right up front, anybody who wants to challenge me, anybody who wants to enter into a little debate, I will willing to talk to them. I will not be offended if they interrupt me. I think we need a little discussion on these points because some of our colleagues are going to get a little confused about what the facts are. I would support more. But, remember, the budget that we passed gave the Committee on Agriculture $79 billion to work with. Now, I lost, you won. I worked with my chairman to bring a bill to the floor, $79 billion, of which we spent $5.5 on emergency; and we have $73.5 left. Fine. I would love to do more for the commodities that my colleagues want to take away from.

In fact, I have a difficult time convincing my farmers and other farmers in the country that having a bill that gives you 1990 price guarantees is a good bill. Now, some of my colleagues would cut from that. This amendment that is before us, you just say we are going to hold harmless 90 percent and we are going to take it from 10 percent. Now, the 90 percent that you hold harmless are landlords, retirees, hobby farmers, investors, and some producers, some producers. The 10 percent are all producers that happen to produce 85 percent of all of the food and fiber that is produced in this country.

Now, would we like to do more? Absolutely. The problem the committee had was we had to balance competing interests. We had nutrition concerns. I am proud of the nutrition title and most everyone in this body on both sides of the aisle that are concerned about feeding the hungry people and doing more are also supportive of this bill.

I would love to do more for rural development. I could do it, but we did not have the money. And we get criticized because we are busting the budget. The President says we are busting the budget. No, we are not. We are not. The budget passed. I would love to do more in the area of research. We can justify it. But the Committee on Agriculture, 51 of us, had to look at the competing interests and had to put together a bill that would do the best possible job we could for each of those, and that was our judgment.

Now, I do not begrudge anybody for coming in here and having a different opinion. I do not. In fact, that is why we asked for an open rule. But anyone that votes for this amendment and expects us to move forward with a balanced bill, you are going to be absolutely and completely disappointed. It cannot be done. The chairman has stated it very clearly, I support him 100 percent, and to all of those who have other interests on my side of the aisle, be careful what you vote for lest you might get it. This is the best possible bill we could bring to this body to send to the other body for the President's consideration, based on the art of the possible, based on the competing interests.

Now, I find it interesting that when we start talking about payments, the gentleman from Wisconsin said, 174 percent of the net farm income last year was government payments, and yet somehow the gentleman proposes to cut those and feels that he is going to be benefited.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from Texas (Mr. STENHOLM) has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 2 additional minutes.)

Mr. STENHOLM. Mr. Chairman, one of the things that so many of my colleagues are overlooking or misreading is that if we are going to have conservation on farms, the farmer has to have some money in which to put up his 25 to 50 percent of the matching funds. If we take away the farm income, there will be no conservation on the ground, other than those who happen to be buying the land that are not farmers. Those of the more upper-incomed among us, who have the money through other occupations, that buy the land are the ones that will use these conservation funds if we take away the ability of the American farmer to make a profit on his farm.

That is what this amendment does today. We take away that ability, and somehow we have allowed ourselves to be convinced by some other folks who have an entirely different agenda from what agriculture ought to be, we have allowed them to convince us that we are going to be helping farmers. Could not be farther from the truth.

It was fascinating, listening to the dairy argument earlier today in which we were concerned about dairy farmers and developers. Developers will love this amendment. Farmers will hurt badly if this amendment should pass.

Mr. Chairman, I most sincerely ask my colleagues on both sides of the aisle, oppose this amendment, stick with the committee regarding this bill. It is the best possible compromise that we can have that meets all of the competing interests, not just a few.

Mr. CHAMBLISS. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong opposition to this amendment. I want to talk about two different aspects of this bill.

First of all, times are tough out in agriculture country right now. I do not care what farmers are growing, what part of the country they are in. We are seeing tough times from the standpoint of the hazards that farmers have to deal with, whether it is weather, whether it is hurricanes or some combination of both; but the biggest problem that farmers have out there today is that we are seeing the lowest commodity prices we have seen across the spectrum in 30 years. It does not make any difference whether it is corn in the Midwest or peanuts or cotton in my part of the world, farming is a tough, tough business today.

What the chairman and the ranking member did with this base farm bill is to come up with a proposal that actually provides a safety net for our farmers. The trigger is that if prices are high our farmers are not going to get government help; but if prices are low, they are going to get extended a helping hand from the Federal Government to help them out. And that is the way it ought to be.

This bill takes about $2 billion a year out of the commodity side of this farm bill and puts it into conservation. Do we need to concentrate on conservation? Sure we do. But what does this base bill do? This base bill takes an additional $37 billion over the next 10 years and puts it into conservation programs. The gentleman from Oklahoma (Mr. LUCAS), the chairman of the subcommittee, did an excellent job of putting more money into conservation; but the one thing that we never need to forget in this town is that the biggest environmentalists and the biggest conservationists in the world are our farmers. We do not make a living off the land. The farmer makes a living off the land, and they want to do everything they can to conserve and preserve their land.

Now, I am a sportsman. I, along with the gentleman from Minnesota (Mr. PETERSON), cochaired the Sportsmens' Caucus the last 2 years. I love to hunt and fish as much as anybody in the world. We are conservationists as hunters and fishermen, and we appreciate the outdoors. But what we need is more farmers producing more grains to feed the wildlife that we love to hunt, and we need more farmers protecting the fields and streams that we love to fish in. How do we do that? Do we do that by providing farm programs that pay people not to grow products, or do we do that by paying farmers who are having a tough time with commodity prices being what they are and encourage them to do a better job of being more efficient and growing more and better quality products so that we can enjoy the outdoors?

Mr. Chairman, I think the answer is pretty simple. I encourage a no vote on this amendment.

Mr. POMEROY. Mr. Chairman, I move to strike the requisite number of words.

The farm bill before us, Mr. Chairman, restores a critical piece to the safety net that will keep family farmers on the land. That piece is protection when prices collapse, because it does not matter how good a farmer you are, if you are paid less the elevator for your crop than it costs you to grow it, you are going to grow out of business.

Now, my problem with the Kind amendment is that it takes money away from that safety net for family farmers and puts it over into the conservation programs. I think that conservation is an imperative national goal; I also think it is an inherent part of how our family farmers operate. They cannot foul up the land. That is where they live. That is what produces their income. They are the greatest land stewards we will ever find.

I am very intrigued and interested by the notion that we ought to structure ways of paying farmers for the conservation practices they implement on their land for all of us. But not this way, not with this amendment, not by giving them the appearance of something on the one hand and taking away something very real, very tangible, protection when prices collapse, on the other hand.

It has been estimated that this amendment would cost the family farmers in my State more than $300 million over 3 years, more than $100 million a year farm income lost if the Kind amendment would pass. That is a hit we cannot take. We have people that are using machinery that is wrecked. They cannot afford new, they just make do.

We have areas of the land that are literally depopulating because the economics, the fundamental ability to make it on a farm has been placed at such risk when we have a farm program without safety net price protection. That is why we need the bill, and that is why we must reject this amendment. Again, do not get me wrong. Conservation: good thing, bad thing? Of course it is a good thing. Should we look at ways to reward farmers for their stewardship practices? I think we should.

□ 1515

But what is before us right now is a farm bill at last putting in price protection for farmers, and we cannot play fast and loose with this imperative of fixing the farm program. First things first. The first thing is price protection for farmers. They desperately need it.

This whole conservation issue, let us continue to evaluate it. Maybe more can be done in the Senate. This was withdrawn before a vote in the Committee on Agriculture. It did not receive a considered discussion. It did not even go to a committee vote. So for us to come over to the House floor and kind of stomp around and start rewriting in wholesale fashion the farm bill is a terrible idea, especially when it takes away the money we need to restore the safety net for price protection.

There is another feature to the bill that I think we want to consider. That is the $3.5 billion we have been able to add for nutrition funding. If this amendment would pass, that effort is also placed at great risk. If this amendment passes, the bill may be down the tubes, taking with it the extra funding critically needed to address some of the shortcomings in the assistance we need to those who cannot afford food.

I commend the sponsor of the amendment. I know his heart is in the right place. He has fundamentally a very interesting idea, but strategically, those of us who care about agriculture, and broader than that, those of us who care about the Nation's food supply, should not do this this afternoon. It tips over the farm bill at a time when we have to fix it so badly.

Mr. PENCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. BLUNT. Mr. Chairman, will the gentleman yield?

Mr. PENCE. I yield to the gentleman from Missouri.

(Mr. BLUNT asked and was given permission to revise and extend his remarks.)

Mr. BLUNT. Mr. Chairman, I rise in opposition to the amendment and in support of the bill as reported.

Mr. Chairman, I rise to speak today in opposition to the Kind-Boehlert-Gilchrest-Dingell amendment and in support of HR 2646 as reported.

The 80% increase to conservation programs proposed by HR 2646 is proof that this congress believes in the protection of the nation's natural resources. With an over 800% increase to the EQIP program and the proposed Grassland Reserve program, those who make their living through best management practices will receive the tools needed to protect and enhance the environment. The conservation title in this Bill meets the needs of the nation's farmer's and ranchers while maintaining an affordable and abundant food supply and a clean and healthy environment. The 1996 Freedom to Farm Act started us in the right direction in making conservation a vital part of farm policy. The popularity of the EQIP program born out of that legislation is proof that farmers and ranchers respond when given the proper tools. In my district over 30% of those who apply to receive cost share under the EQIP program are rejected not because of their worthiness but because of insufficient funding. HR 2646 will make those projects a reality.

Now is not the time to rewrite the conservation title of the farm bill with an amendment that is confusing at best. Chairman COMBEST and the AG committee have spent the past two years holding more than 50 hearings throughout the U.S. to gain input to the bill that we are considering today. They have listened to producers of livestock, organic growers, crop farmers, government agencies and those who are concerned about our natural resources. Now the proposed amendment before us threatens to undo that work, not only of the committee, but by the 100's of people who took time away from their daily schedules to help craft what is before us today.

I stand here today to urge my colleagues to vote against this amendment and support the Conservation Title of HR 2646 as written. It is the right thing to do for those on the front lines of protecting our environment and conserving our natural resources for future generations.

Mr. PENCE. Mr. Chairman, I rise in respectful opposition to the amendment offered by the gentleman from Wisconsin (Mr. KIND), and I appreciate very much the comments of the gentleman from Texas (Mr. COMBEST) about getting back to the facts.

As the chairman of the Committee on Agriculture reflected earlier today, we have only had 36 hours to review the contents of the Kind amendment, but I have made an effort to do that. In recent weeks there has been a lot of talk about the large backlog of farmers and ranchers who are waiting to participate in the USDA's conservation programs. The proposal today suggests that the answer to that would be to shift nearly $2 billion from commodity support programs to conservation.

Before we accept this rhetoric, Mr. Chairman, I invite Members to break down the dollars and look at the facts of the Kind amendment and see how they purport to deal with this conservation backlog.

First, the Kind amendment allocates funding for several programs at levels substantially beyond what the Natural Resources Conservation Service has indicated is necessary to address the number of outstanding applications.

For example, in the case of the farmland protection program, the NRCS estimates it would take an additional $281 million to meet current demand. Yet, the Kind amendment funds this program at $500 million per year.

Another example: The wildlife habitat incentives program. The NRCS has stated it would take $19 million to meet demand, while the Kind amendment allocates $500 million per year.

When looking at the funding level for conservation programs, we cannot lose sight of the fact that these programs are voluntary in nature. In other words, the money does no good unless there is an equivalent level of demand from producers to use them.

Moreover, we cannot forget that these programs also involve cost share assistance, and if producers do not have an adequate safety net to sustain the bottom line, money available for cost-share arrangements will likewise go unused.

Point number two, as we look at the Kind amendment, several hurdles in the amendment will actually prevent these funds from assisting a large portion of America's farmers and ranchers with critical conservation needs. There are significant amounts of targeted and earmarked funding. The Kind amendment is actually riddled with numerous restrictions that target funding towards specific geographic regions and earmark program money for particular issue areas.

For example, the legislation would spend over $1 billion for a pilot program available to only five impaired watersheds. Similarly, it would require that over 40 percent of the $14 billion in EQUIP monies be spent on just four specific environmental efforts.

Further, the Kind amendment pumps money into programs which have a low producer interest, because this legislation has been written or encouraged by the environmental lobby, rather than by actual farmers.

Lastly, this legislation promotes pork barrel spending. Rather than responding to producer requests gathered throughout all of the hearings over the last 2 years, both on Capitol Hill and around the country, the Kind amendment spends large sums of money on projects which do nothing but feed an already thriving government bureaucracy.

Mr. Chairman, I do not represent the thriving government bureaucracy. I do not represent an environmental lobby that looks at a 78 percent increase in conservation funding and says, that is not enough. I represent farmers in Indiana. For that reason, I very respectfully oppose the Kind amendment, and urge my colleagues to join me in doing likewise.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Kind-Boehlert-Gilchrest-Dingell amendment, and I thank them for their leadership on this issue of conservation policy for our Nation's farmland. I, for one, believe the farm bill has room for this amendment, and in fact, I believe the bill is improved with it.

Mr. Chairman, my district, Marin and Sonoma Counties, just across the Golden Gate Bridge from San Francisco, is very fortunate to have productive working farmland like dairies and vineyards. In fact, we provide 50 percent of the Bay area's milk products, and, of course, Members all know about Sonoma County wines.

It is because of the diversity of agriculture that the Sixth District of California has one of the lowest unemployment rates and one of the highest income levels in this Nation, and it is because of the agriculture that I represent one of the most beautiful areas in the world.

The dairies in particular in my district are mainly small, family-owned operations that have been in business for four or five generations, and because many of these dairies are within 30 miles of downtown San Francisco, preserving these productive lands is a

top priority of my constituents, and it should be for the Congress.

But my farmers are often frustrated by the lack of funds and technical assistance available to them to protect water supplies, reduce pesticide applications, provide adequate habitat for wildlife, enhance food safety, or, in general, protect their farms and our open space from encroaching development.

Less than 10 percent of Federal farm spending is directed towards conservation. Without the Kind-Boehlert amendment, farm policy will continue to fail to keep up with the growing demand over the next 5 years. That is why the House must pass the Kind-Boehlert amendment and reward farmers and ranchers like my constituents, who want to participate in voluntary incentive-based conservation efforts.

If my colleague's amendment succeeds, commodity crop farmers would still receive twice as much funding as they received under the 1996 farm bill, an 11 percent increase over current funding levels. In addition to helping commodity crop farmers by passing the Kind-Boehlert amendment, we would be wisely investing in farm policy that also recognizes the value of small family farmers.

That, Mr. Chairman, is fair and smart public policy. I urge my colleagues to support this amendment.

Mr. GILCHREST. Mr. Chairman, will the gentleman yield?

Ms. WOOLSEY. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Chairman, I thank the gentlewoman for yielding to me.

Mr. Chairman, one of the earlier speakers made a comment about how this amendment would be bad for the watershed. How I would like to respond to that is that contained in this amendment is a new approach to protecting watersheds so that we do not have to have each individual farmer apply for the conservation programs that will improve water quality, but we can do it with a number of farmers getting together, a number of farmers getting together in one State, or we could do it with a number of farmers getting together in a multi-State region which is protecting, truly, a broad watershed area.

So contained in this amendment is a specific program with specific criteria to use agriculture and the conservation program to protect the water quality in a watershed.

Mr. HAYES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Kind Amendment to the Farm Bill. H.R. 2646, as reported by the House Agriculture Committee, provides an unprecedented 80% increase in soil and water conservation programs above current spending levels that firmly meets the needs of America's farm families. This bill builds on the popular and important conservation programs established in previous bills. The conservation section devotes over $16 billion over 10 years to soil, water and wildlife programs. It increases CRP acreage to 39.2 million acres, WRP to 1.5 million acres, creates a Grasslands Reserve Program up to 2 million acres, funds WHIP to $500 million, and finally, the conservation title will help MANY many family farms in North Carolina by funding the Environmental Quality Incentives Program at $1.285 billion, including a $600 million fund is created in EQIP to address surface and ground water conservation issues, including cost share for more efficient irrigation systems. Obviously, this bill will go far in helping our farmers continue be our Nation's best land stewards.

To my colleagues who support this amendment, I ask why this was not brought up in Committee? At no time during the Committee's consideration of this bill did Mr. KIND offer his amendment. Why? Because he knew he didn't have the votes to pass it, and America's farmers adamantly oppose it. In addition, I would add that the sportsmen in my district oppose this amendment. This amendment undermines all the hard work we've done and it undermines future conservation benefits and I urge my colleagues to vote against this amendment.

Mr. Chairman, I would and pick up on the remarks of the gentleman from Texas about the valid and important issues in this discussion.

Simply put, Mr. Chairman, to my colleagues who support this amendment, I ask them, why was this amendment not brought up in the committee? The gentleman from Wisconsin (Mr. KIND) said that they discussed it. That is fine. But what he did not say was that as this discussion took place, it was obvious that he did not have the votes in committee to pass it.

What does that mean? It means that the people of this House who are most interested in and probably most informed about agriculture did not support his well-intentioned amendment. Sportsmen and farmers in my district in North Carolina also very strongly oppose this amendment, as I do.

An interesting contrast, the gentleman from South Dakota (Mr. THUNE) spoke very eloquently in opposition to this amendment. He also had an amendment which he brought up in committee, and we discussed it over and over and over for hours and hours. The amendment was defeated, and that was the end of that. It is not here on the floor, as this amendment is and should not be.

Because of the nature of this amendment and because of the need for balance in this bill, please join me in opposing this amendment, which undermines all the hard work, the field hearings, all of the information that has been gathered, and it undermines conservation benefits.

I urge my colleagues to vote against the amendment.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do thank the committee for this important discussion. I find it exceedingly valuable.

I am one of the people who the gentleman from Texas (Mr. STENHOLM) referred to who is not an expert in agriculture. I do not pretend to be. But it is important to me, and I took the time this summer to talk to people in my State who are the experts, people on the board of agriculture, practicing farmers, leaders in the industry.

They made it clear to me that this was an opportunity for this Congress to seize the opportunity to begin reforming agriculture for the next century. The current system, I was told, and I dearly believe, and nothing that I have read in connection with the debate here today leads me to feel otherwise, that is, that our system was great to lead us out of the Depression, and it does indeed continue to help many economic interests, but it does not, for instance, help what happens in my State for the majority of people who are involved with agriculture.

This amendment that we are debating here today is an opportunity for us to step forward that is going to make a difference in our community. I would like to dwell on one particular item, the farmland protection program, which would receive much needed increased funding under this amendment.

There currently is a backlog of over $250 million for the voluntary purchase of conservation easements under this program. The previous farm bill in 1996 and the currently proposed farm bill did not and will not come close to providing the funding necessary to meet the current waiting list of farmers. Right now, three out of four who apply to participate are turned away.

The current bill limits the farmland protection program to $50 million a year. This amendment reauthorizes the farmland protection program through the year 2011, funded at $100 million in fiscal year 2002, increasing to one-half a billion dollars annually by 2006.

It is important to understand that the farmland protection program does not just benefit farmers, it benefits communities everywhere. The farmland protection program, as its name implies, allows the farmers to continue working the land. They receive payment for doing what they intend to do, keeping the land as farmland. This is particularly important in the vast amounts of prime farmland around our metropolitan areas, where increasing land values make it difficult for farmers to keep their land as farmland.

□ 1530

Nationally this prime farmland produces 85 percent of domestic fruit and vegetables. Almost 80 percent of our dairy production takes place in what we are calling urban-influenced counties. They are under relentless pressure. There were 3.2 million acres converted to nonagricultural uses between 1992 and 1997, double the rate of previous years. There are 90 million acres that are threatened by sprawl.

When I was born, the number one agricultural county in the United States, and this is only half a century ago, was Los Angeles. What county is going to be lost next?

We are developing land at twice the rate of the increase in population growth. But it is not just the farmers that benefit. We have talked about how disconnected the general public is from the practice of agriculture. We are protecting this land for agricultural purposes around the metropolitan area to make it easier for the public to understand how valuable it is and that sugar does not just come from candy bars and fruit and vegetables do not come from tin cans.

The Farmland Protection Act helps the surrounding communities by saving taxpayer money. Farmland or open space costs on average about one-third of the amount of money as it produces from taxes. Residential development, to the contrary, costs local governments about 25 percent more. Cities and towns can save billions of dollars in municipal water and treatment costs. Protecting wetlands and streams prevents the cost of water treatment downstream.

Our communities and taxpayers want farmland protection. Survey research demonstrates that the public would like to have their Federal tax dollars by strong majorities used to keep farmland from being developed. Seventy-five percent think that farm support payments should require farmers to practice conservation.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from Oregon (Mr. BLUMENAUER) has expired.

(By unanimous consent, Mr. BLUMENAUER was allowed to proceed for 1 additional minute.)

Mr. BLUMENAUER. Mr. Chairman, supporting this amendment is a step away from the Depression era of farm support. It is an opportunity to us to step forward, to help farmers voluntarily protect their land, save tax dollars, meet the needs that are building up now, and help us, in a State like Oregon, help protect farmland for generations to come.

Mr. WELDON of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the base bill before us. The committee has done a good job of balancing various interests before it. I am pleased that the committee has significantly increased the conservation title of the bill but has done so in a manner that does not jeopardize the rest of the agricultural needs of our Nation.

Let us look at what the base bill does, H.R. 2646. It includes an average of $1.285 billion per year in the Environmental Quality Incentives Program or EQIP, plus an additional fund of $60 million per year to address water issues. It increases total acreage in the conservation program to 39.2 million acres. It allows an additional 1.5 million acres to be added to the Wetlands Reserve Program. It provides $500 million over the life of the farm bill to eradicate the backlog and provide for new enrollment in the Farmland Protection Program. It increases funding for the Wildlife Habitat Incentive Program, or WHIP, from $25 million per year this year to $50 million a year by the year 2011. It increases enrollment in the grasslands reserve program to 2 million acres.

The ranking minority member was quite accurate when he said this is a green bill. There are good provisions that continue to move us forward in this bill in the whole arena of conservation. I joined the gentleman from New York (Mr. BOEHLERT) and other Members the last time we considered the farm bill 5 years ago in restoring cuts that have been made in the conservation title. That was a good thing to do then and that was good policy.

The bill before us continues in that responsible plan. The amendment before us I think raises some serious concerns. It raises some financial concerns. The chairman of the committee, the gentleman from Texas (Mr. COMBEST) raised some serious concerns about the possible serious adverse consequences associated with the Kind amendment on our budget.

We have just approved a $50 billion program to provide defense needs, disaster needs, to address airline concerns. We are now talking about an even larger package to get the economy going again, something in the range of $75 billion. I think we need to proceed very cautiously.

The Kind-Boehlert amendment, although maybe well intended, will mandate additional spending and will leave less room for dealing with potential economic problems that could arise for our farmers.

I join the Florida Farm Bureau in supporting the base bill and opposing the Kind-Boehlert amendment. The base bill has the support of the Florida Association of Conservation Districts and the Florida Fish and Wildlife Commission. The Florida Farm Bureau opposes the Kind-Boehlert amendment, and I urge my Florida colleagues to join me in supporting the work of the Committee on Agriculture and to vote against the Kind-Boehlert amendment.

Mr. Chairman, I include with my remarks a letter from the Florida Farm Bureau.

FLORIDA FARM BUREAU FEDERATION,
Gainesville, FL, September 27, 2001.

Hon. DAVID J. WELDON,
U.S. House of Representatives, Cannon House Office Bldg., Washington, DC.

DEAR REPRESENTATIVE WELDON: Congress will be taking up H.R. 2646, the Farm Bill, next week and we recently sent you a letter relaying our support of the bill. However, the section of the Farm Bill that deals with conservation has received a lot of attention in the media recently and there's an effort underway by Representative Kind to offer substitute language to the bill which is based on his legislation, H.R. 2375. On behalf of our members I would like to relay to you our support of the House Agriculture Committee-passed conservation language and provide you our concerns with H.R. 2375.

First off, let me say that H.R. 2375 does make an effort to increase funding for technical assistance and other important conservation programs. However, the increased funding does not necessarily mean that Florida producers will be able to access the added funding. Several requirements illustrated in the bill prohibit many of our producers from being eligible for conservation funds and the additional funds are carved out of other parts of the bill which is already stretched to meet the needs of production agriculture.

To elaborate on our concerns with H.R. 2375, I offer this:

H.R. 2375 prohibits a producer who is subject to an environmental permit under the federal Clean Water Act from receiving cost-share assistance under the Environmental Quality Incentives Program. This provision is not acceptable given that pending revised clean water rules dealing with CAFO's and AFO's could subject a large majority, if not all, livestock producers in Florida to regulation. This provision would keep a large percentage of our dairy and poultry farmers from being able to access cost-share funding for conservation practices.

H.R. 2375 would push an unmanageable level of funding into the Department of Agriculture for conservation programs and this increased funding does come at a cost for farmers in other regions of the country. Without an adequate framework in place, this money will do little to improve the environmental quality for our working lands resulting in the wasteful and inefficient use of precious taxpayer dollars. H.R. 2646, the Farm Security Act of 2001, increases conservation funding 75 percent above the current baseline. To fund environmental programs proposed in H.R. 2375 we will have to raid funds already allocated in other important areas of the bill. Politically this is not the right avenue to take and we should not cause a situation where sectors of the agriculture industry will be trying to benefit at the detriment of others. The Kind bill makes only modest gains in Florida's level of conservation funding because a large percentage of the funds go to programs such as Conservation Reserve Program (CRP) and these programs are not widely utilized by Florida's producers.

H.R. 2375 would place restrictions on producers that have nothing to do with conservation. For example, this legislation directs the Secretary to consider the extent to which livestock producers medicate their animals in selecting contracts under the Environmental Quality Incentives Program. Such restrictions would render these programs useless for mainstream agriculture.

H.R. 2375 contains extensive provisions for forestry yet none of the central forestry organizations support this legislation. The Society of American Foresters, the National Association of State Foresters, the National Council on Private Forests, the National Association of Professional Forestry Schools and Colleges, and the American Forest and Paper Association oppose this bill. They oppose H.R. 2375 because its forestry provisions cannot be implemented. The legislation is vague, restrictive and not based on sound science.

We realize that H.R. 2646 is not perfect when it comes to the conservation section but we believe that it is a more practicable and realistic approach for Florida's farmers and ranchers. It is our understanding that the proponents of H.R. 2375 have an amended version of their bill that will be offered when H.R. 2646 ''The Farm Bill'' is taken up by the House. We have made inquiries to the sponsor of H.R. 2375 in an effort to see if our concerns have been addressed and no one has been able to provide us that assurance. Therefore, we ask that you consider our concerns and not support this effort to amend the conservation title of H.R. 2646.

If you need to discuss this issue in more detail or have any questions please contact

Ray Hodge in our office. He will be in the Capitol next week and will come by your office to discuss this and other issues with your agriculture staff person. Thank you for considering our concerns and your willingness to support the issues important to the livelihood of Florida farmers and ranchers

Sincerely,

CARL B. LOOP, JR.,
President.

Mr. BERRY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to say what a wonderful job the chairman and the ranking member of the Committee on Agriculture have done. I appreciate very much the hard work the gentlemen have put into this.

Mr. Chairman, I also want to say that I think the sponsors of this amendment mean well. The people that support this amendment have the best of intentions.

When I ran for office first in 1996, it was interesting to me that all of my opponents suddenly had become farmers. If they were not farmers themselves, in some way they could contrive, they will know a farmer or their grandfather was a farmer or they would know a lot about a farmer or they had seen a farmer someplace or they had seen a crop someplace. But they all wanted to be related to farmers in some way or another.

I found that interesting today that suddenly we have this great outpouring of knowledge about agriculture in this body.

I would suspect, and I do not know for sure, that none of the sponsors of this amendment, and very likely none of the people that have spoken in favor of it, have ever raised a crop or produced any significant amount of food.

I would submit, Mr. Chairman, that our job is to make sure that this country has a food supply, a reliable, safe, reasonably priced food supply, and in the effort to produce this, we must protect our air and water quality, and that is what this base bill does. It has been said over and over that our food policy in this country and our farm policy in this country is a failure. How can we say that when our producers are the best there has ever been, they are the most efficient and we have the most reliable, the safest and the most reasonably priced food supply of any Nation in the world? Our farmers are on the edge. They simply are not going to do it any more.

I would submit to the Members a report about USDA's last quarterly stocks estimate. One of the last paragraphs in that report says if there is one thought for the Members to be left with regarding today's stock report, it is that U.S. stocks of every commodity except corn are smaller today than a year ago, and in some cases dramatically smaller. Our stocks of food in this country are shrinking.

The national security interest is served by our farmers being able to stay in business. Certainly they are not getting rich. Most of them are not even making the cost of production, but one thing I can tell my colleagues that they do not need is for someone else to create one more way where the Federal Government can come and tell them what they have to do with their land.

This amendment would destroy the safety net and drive production offshore, and it most certainly would cause consolidation, and if we want to see what corporate farms really look like, we can see what the result of this amendment would be because it would cause dramatic consolidation.

The worst thing we can do to conservation is to continue to have a situation where our farmers cannot stay in business. Poor folks have poor ways and there is nothing they can do about it because that is all they have to work with.

We do not need a social engineering program. We need a balanced bill and that is what this base bill is. I wonder, if this amendment is such a good idea for farmers, why in the world is there not one, not one farm organization supporting this bill? I think that pretty well says it.

Mr. MORAN of Kansas. Mr. Chairman, I move to strike the requisite number of words.

I rise to oppose, strenuously oppose the amendment that is being offered here today. The House Committee on Agriculture has spent months, years now, beginning in Kansas at the Kansas State Fair 2 years ago September, taking input from farmers about what we can do to address the crisis that we face in agriculture. That crisis is real.

We face the circumstances in which the farmers of this country will not be farming. The economic conditions that American farmers and ranchers face are serious and getting worse. My farmers talk about what they do to serve to the next week, to the next month, to the next year. They talk about if things get any worse they have no option but to sell the farm and move to town.

The average age of a farmer in Kansas is 58½ years old. There is no next generation waiting to take over the farm because there is no profitability in agriculture, and the idea that we can remedy this situation by putting more money elsewhere than into farmers' income is terribly, terribly flawed.

There will be no farmers as stewards of the land absent an income in which to continue farming. What do we expect ourselves to do when the farmers are no longer on the land? Do we expect us to hire government employees to go out and manage the land so that they can perform conservation practices that our farmers are practicing today?

I care greatly about the use of land, about water quality, about water quantity. There is no greater conservation environmental issue in the State of Kansas than the quality of water, and if we have a future in the State of Kansas, it is because we have a clean and adequate water supply. I am proud of the efforts of the House Committee on Agriculture to address conservation environmental issues.

We have spent a lot of time and a lot of effort taking a lot of input. Our ability to have the people necessary to be in the fields performing conservation practices is gone, absent the kind of assistance in the commodity title of this farm bill.

The reality is that life on the farm is tough. It is getting tougher, and if we care about conservation, if we care about the environment, we will make certain that those farmers and ranchers are there and we will oppose the amendment offered by the gentleman from New York (Mr. BOEHLERT).

We need the assistance or we are going to have larger and larger farms. The gentleman from Arkansas (Mr. BERRY) is absolutely right, if we want to see greater concentration in agriculture, put our farmers out of business and then only those who are large will be left.

This issue is at the core of whether or not we care about America, and especially whether or not we care about rural America and if we want children in the schools across the State of Kansas and across rural areas of the country and if we want people shopping on Main Street, the critical issue we face is whether or not our farm families can make ends meet, and they are not doing it today, and they will not be helped with the passage of this amendment.

I urge my colleagues to oppose it.

Mr. DEFAZIO. Mr. Chairman, I move to strike the requisite number of words.

I represent the farmers and ranchers and small woodland owners whose voice is not heard here and have been ignored in some of the previous debate by other Members.

□ 1545

These commodity programs flow to a favored few. Now, certainly some of them are producing crops that are vital to feed our Nation. Others are producing surplus cotton and other crops and getting subsidized for that. It is an extraordinarily market-distorting thing. Now, usually that side of the aisle is arguing for markets, but in this case they are arguing for market-distorting subsidies. Many of the same people who are arguing against this amendment were gung ho for the Freedom to Farm bill a number of years ago. I voted against it. I thought it might lead to some of these problems. It has led to a record increase in commodity supports.

And even if this amendment is adopted, there will still be $101 billion going to the commodity support programs. Now, who does it go to, and who would be hurt under this amendment? Well, under this amendment, actually 70 percent of the farmers, those who seem to be ignored in the debate on that side and by a few on this side, that is dairy, ranchers, fruit and vegetables, I have a lot of those, I have some dairy, have a

few ranchers, do not have peanut, sugar, tobacco, and then we have trees, those are my small wood-lot owners, people who practice forestry, people who are waiting in line now to get this conservation money because of problems we have in recovering our salmon runs in the Pacific Northwest. They are lined up. They are not getting the money, even with the increase in this bill.

I appreciate the modest increase in the bill, but more is needed. And this money will benefit this 70 percent of the people who are pretty much left out of this bill.

Now, there is another 30 percent. And under this amendment, 27 percent of them, almost all of them, will be held harmless. But my colleagues are right, the top 3 percent, the people who get the largest subsidies in this country, the ones we read about and hear about on TV, some of them are even TV commentators, they will get a cut. That is right, they will get a cut. But they will still get subsidies, very substantial subsidies, and we will spread this needed money elsewhere.

How needed is it? Well, if we refer to this chart, we see, in fact, it is quite needed. Right now we are funding conservation at this level. This is the demand. We are not matching supply and demand. I wish this side of the aisle, which is always for markets, would help us better match supply and demand. Here is the demand. Here is the supply.

Now, true, this bill, the base bill, would actually help a little bit. It still does not meet the demand and the backlog. And even if we get this amendment, we will not quite match supply and demand. There is an extraordinary unmet demand out there, demand that flows to those other 70 percent of the farmers, small farmers, truly small farmers, who I represent, who are left out of this bill. So we are talking about hundreds of billions of dollars in this bill; but we are leaving out millions of farmers, small farms, dairy, small wood-lot, row crops, fruit and vegetable folks they represent.

So let us put an end to the rhetoric of saying this is not for farmers, this money will not go to farmers, it will put new controls. It is a voluntary program, a program that people are lined up to get into in my State; and the USDA simply says there is not enough money, come back next year, the year after, or the year after. We need that funding now. We need these increases. In fact, we need even more than will be provided under this amendment.

Mr. REHBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Arkansas (Mr. BERRY) was correct when he commented on the fact that the supporters of this amendment do not come from this industry. I did a quick note. Most are attorneys. And I do not fault their desire or their ability or their right to be involved in this issue, but I can tell my colleagues that those who call themselves environmentalists in this Congress are loving their land to death.

I represent Montana. It happens to be one of the largest agricultural-producing States, one of the largest States, and perhaps one of the ones most screwed up because of many of the conservation practices that are occurring because of this Congress. Let me point out to my colleagues what some of this Congress' conservation plans have done to us.

This is what government farming practices look like. This is a forest fire. And I will tell my colleagues that underthinned forests kill forests every bit as much as overlogged forests. Undergrazed grass kills grass every bit as much as overgrazed grass. So we are going to exacerbate our problem? Are we going to put more in? Well, then, we will kill our land with kindness, and I hope we do not do that.

This is what a managed environment looks like, so I am not standing before my colleagues today and trying to bring up dollars, which it seems like the majority of the argument has been on dollars in farmers' pockets. This is my first farm bill, and the way things go around here, it may be my last. One never knows. But I want to thank the gentleman from Texas (Mr. STENHOLM) and the gentleman from Texas (Mr. COMBEST), because if it is my only farm bill that I have an opportunity to speak on and to be involved in, I am proud to put my name on something that understands American agriculture.

I came here not anticipating I was going to win every issue. In fact, I did not. But I voted for this bill. I supported this bill because it truly understands the needs, the desires, the wants of those of us in Montana agriculture and American agriculture.

Now, I was not a supporter of increasing additional conservation act money. I use myself as an example. My place is getting smaller. Just 9 months ago yesterday, I was in the agricultural business. This suit was not bought with agricultural money, because I did not have it. I do now, because of this job. But as I tried to expand my business, do my colleagues know what I could not do? I lost a lot of acreage because of the estate tax. I can live with that. I can live with that. But at a time when I should have been getting bigger, I got smaller. And as I tried to get bigger, my neighbor puts his land in conservation reserve. I cannot rent land and I cannot buy land. I could not expand my ranch to pay for my children's shoes, their college education, and my retirement.

Now, I might seem a little angry because I am a little angry. Because what I see happening in this Congress is that we are attempting to use the farmer for an environmental policy in this country, and I believe that is misguided. We do not want to see more of this. This is a forest, but it is the same in the pasture land. The conservation practices that preserve property in this country without active management in fact are killing our environment.

So it is not about jobs, and it is not about money. It is about our environment. And what is the best way to manage our environment? This bill does, in fact, without this amendment, do that. It maintains maximum planting flexibility, it provides countercyclical protection, it allows farmers to update their base acreages, it increases conservation programs, it addresses trade, research, nutrition, and includes one of my favorite issues, rural development and adding value to agricultural products. That is how we are going to save the American farmer. That is how we are going to create a better environment.

Support the bill. Kill the amendment.

Mr. COMBEST. Mr. Chairman, I ask unanimous consent that on this amendment and all amendments thereto the remaining time be 40 minutes, equally divided between a proponent and an opponent of the amendment.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from New York (Mr. BOEHLERT), the author of the amendment, will be recognized for 20 minutes.

Mr. BOEHLERT. Mr. Chairman, I ask unanimous consent that 10 minutes of my time be allocated to the cosponsor of the amendment, the gentleman from Wisconsin (Mr. KIND).

The CHAIRMAN pro tempore. Without objection, the gentleman from Wisconsin (Mr. KIND) will control 10 minutes in favor of the amendment, and the gentleman from Texas (Mr. COMBEST) will control the time in opposition.

There was no objection.

Mr. COMBEST. Mr. Chairman, I ask unanimous consent that 10 minutes of the time allocated to the opponents be given to the gentleman from Texas (Mr. STENHOLM).

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Chairman, I thank the gentleman for yielding me this time.

We have heard a lot of debate over this amendment in the last few hours. My colleagues, this is not about rich farmers against poor farmers. It is not about corporate farmers against noncorporate farmers. It is not even about conservationists against those who feed America. Because our farm families, our row croppers were this country's first conservationists. This is about whether we want this country to become dependent on other countries for our food and fiber the way we have for our oil.

We spent 8 months in the House Committee on Agriculture, where I sit, writing this farm bill in a bipartisan effort. It is not the bill I would have written. I am sure the gentleman from Wisconsin (Mr. KIND) would have liked to have seen more in it for conservation. I would have liked to have seen more in it for row crops. But this is a democracy, and in a democracy and in our committee we compromised. And let us never forget that that compromise included increasing baseline spending for conservation by 78 percent.

The 1996 farm bill did not work. If this amendment passes, the 2001 farm bill will not work. Farmers are going broke across the delta, across the southern half of Arkansas, and across much of America. Despite the fact that they are able to produce yields that they never dreamed of just 10 years ago, they cannot control market prices. Market prices are down.

Now, I am not real good in math, I will confess to that, but it does not take a rocket scientist to figure it out that if it costs 70 cents a pound to grow cotton, and the market price is 40 cents a pound, that farmer has to have some help. My farm families do not want to be welfare farmers. They do not want to be insurance farmers. But they need America to be there for them when market prices are down, just as those farm families have been there doing what they know how to do best, and that is feed America for many, many generations.

Many are worried about a recession. If this amendment passes, I believe we will have a serious recession, not only with our farm families but many of the smaller banks located in the delta. This amendment will directly take, next year alone, $183.7 million out of the pockets of our farm families in Arkansas.

Finally, let me say this. We all want to try and represent our districts. I truly respect the gentleman from Wisconsin (Mr. KIND) for trying to represent the people of his district. I am trying to represent the people of mine so they can continue to feed America.

Mr. LUCAS of Oklahoma. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. EVERETT).

(Mr. EVERETT asked and was given permission to revise and extend his remarks.)

Mr. EVERETT. Mr. Chairman, I rise in strong opposition to this really misguided amendment.

The Boehlert/Kind Amendment takes over $9 billion out of the farm program (and rural economies) in the first three years and only gradually makes available more conservation funds with heavy strings attached. This is not what farmers or rural America needs when it is currently reeling from 4 years of incredibly depressed prices.

This amendment replaces the counter-cyclical components of the farm bill which is designed to avoid costly ad hoc programs, with statutory maximum payments which decline each year to $1.6 billion in the last year. If prices fall again in the future, the farm program could not respond under this amendment leaving Congress with the choice of another farm bailout. The 2 years invested in writing a farm bill that will respond to market conditions would be wrecked.

This amendment cuts program benefits to real farmers. They say their cut comes from the top 10% of recipients in each region of the country, but that top 10% consists of 100% producers.

In closing, this amendment pits farmer against farmer. In the most ludicrous, but very real case, a farmer with 400 acres would have their payment cut by 66%. But the producer with 399 acres would receive every bit of their payment. Remember, this is the farm bill, not the environmental bill.

Mr. BOEHLERT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), whose State will be one of the many beneficiaries of all 50 States under the conservation amendment offered by the gentleman from Wisconsin (Mr. KIND), the gentleman from Maryland (Mr. GILCHREST), the gentleman from Michigan (Mr. DINGELL), and me.

Mrs. JOHNSON of Connecticut. If I were not such a civilized soul, I would have objected to this agreement. I have been in and out of this Chamber all afternoon waiting a chance to speak and I have 5 minutes' worth to say. Now I have my 2 minutes to say it in.

I just want all of my colleagues to know that the Committee on Agriculture did not hold a single hearing in New England; that its membership does not include any of us; that my friend, the gentleman from Kansas (Mr. MORAN), could have made exactly the speech he made word for word and had the final sentence say, and that is why I support the amendment.

□ 1600

Mr. Chairman, my colleagues do not understand. Members want a farm subsidy program for their farmers. Members want it to be countercyclical. The compact is countercyclical, and it does control production, and get Members will not even give us a chance to do for our farmers what they so desperately want to do for their farmers.

My colleagues increase the conservation money. I am glad this bill does that, but it will take $60 million of EQIP money to help my farmers, just the ones that have projects lined up, because we are the first State that is going to comply with those AFO/CAFO regulations that were put into place in this House to address nonpoint source pollution. It has to be done but it's very costly.

Though my small farmers have no margin. It will cost a million dollars a farm for the ten biggest farms in Connecticut and sizable dollars for every farm. Where are they going to get it? So increasing the funding for EQIP, I appreciate that, but it is not enough for even Connecticut. Doubling the money for WHIP from $25 million to $50 million helps but currently 12 of our landowners are served. There are 46 applicants unserved right now.

My colleagues have got to pay more attention to New England and parts of the country where we have small farms where people are spending full time farming. These are not hobby operations. These are farmers who want their kids to take over their farms.

And they are creative entrepreneurs. For example, we have the most progressive manure management program in the Nation, and the agricultural research funds will not allow us any money because it is an integrated system, and all of our research monies are in silos. Old-fashioned.

Mr. Chairman, it pains me as a Republican that my party cannot even hear New England farmers. I am going to support this amendment because it is the only way I can help the people who depend on land for their living.

Mr. KIND. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Chairman, I rise in strong support of this amendment. It seems what the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) have done is bring our entire House together. Everybody today is in support of agriculture, and I say hallelujah. But do not think for a moment that one bill addresses all of the agriculture in the country. I happen to represent the most productive agricultural county in the United States. This bill does little to help it.

Monterey County grows 85 crops. No other county in the United States grows 85 crops, and it is a $3 billion industry. What is the one thing they need? It is to preserve the land. All of this debate has been on the side of let us preserve the commodity bank account versus preserve the land. We are not going to have any agriculture without land.

Mr. Chairman, let us support this amendment. I used to be an authorizer, and I am an appropriator now. Guess what the appropriators lack? It is authorization to put the money where people want it. This amendment raises that authorization. It allows the appropriators to meet the demand we are talking about to help preserve Ag land.

In California alone, we have farmers who are offering to sell their development rights so that the land will not be urbanized, so it will not be lost to agriculture. That queue is $47 million today. The bill only authorizes $50 million. Just California could use that entire authorization in our one State.

If my colleagues look at it nationally, farmers on the urban fringe face a $280 million backlog. Even the amendment will not bring us up to the level of demand. If Members want to preserve agriculture, preserve the land that agriculture is grown on, support this amendment.

Mr. STENHOLM. Mr. Chairman, I reserve the balance of my time.

Mr. LUCAS of Oklahoma. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY of Minnesota. Mr. Chairman, I appreciate my colleague's compliment in calling Members like me a farmer because I have 60 acres and happen to live on the farm. But if Members look at the book that the USDA put out on food and agriculture policy, they note that this farmer group that we have been hearing the proponents of the Kind amendment talk about, represent that 62 percent of the farmers are rural residential farmers that, quote, ''view farming as an investment opportunity and a way to enjoy rural amenities'' they describe that they have little dependence on the farm economy for their income, and that they typically have incomes comparable to those of nonfarm households.

These are the farmers that we are supposedly neglecting in this amendment. We have to focus on the farm bill in the farm bill. I am pleased with the way the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) have come up with a bill that addresses the needs of farmers.

We have a better safety net for our farmers. There is an 80 percent increase in conservation funding. I am an ardent supporter of conservation programs and have worked on behalf of conservation; and absent the constraints that budgets or public policy would allow, this would be a good amendment. But in this amendment we are pitting farmer against conservationist, and that is not the way to do it.

We already have a significant increase in the programs that will allow the backlog that has been talked about to be taken care of. I, like many in my district, understand the importance of a strong agricultural economy. We need to have a balanced approach. This bill is a balanced approach.

This amendment would gut the farm program. It would make us have to go back to supplemental assistance every year and be damaging to the budget. We need to create a bill that is based on the consensus that has been developed over the last 2 years. Let us remember to keep farmers in the farm bill. Do not vote for this amendment. Vote for farmers and oppose the Kind amendment.

Mr. BOEHLERT. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Chairman, I rise in support of the Boehlert-Kind amendment, but also to express my concern about the underlying bill.

I was here on the floor in 1995 when we adopted the Freedom to Farm Act, and I thought it was a step in the right direction. This bill codifies a direction that we should not be going. The payments in here are for countercyclical commodity farmers, but it is $40 billion over 10 years. It goes a long way to reducing the farmer's market risk, and encourages farmers to grow without regard to market forces.

What I am concerned about and want to express my concern about is what it does fundamentally to put us at risk with our international trade policy.

It is a clear step backwards for U.S. trade when it comes to agriculture. It would increase farmer dependency on Uncle Sam; thus, it sends a signal to U.S. trading partners and developing worlds that we are not serious about our success in another round of global trade negotiations where we are arguing that we should get access to their markets with our commodities.

The new language that would give authority to the Secretary of Agriculture to shift spending if U.S. subsidy commitments are exceeded, that is only an effort to abdicate political responsibility for what ought to be good policy in the first place.

I think the Boehlert-Kind amendment at least moves us from spending more in what is called the ''amber box'' programs, those are programs that are trade distorting, to programs that are considered nontrade distorting, or ''the green box.'' It moves spending from those trade distorting programs into the conservation programs, and they are considered nondistorting; and, therefore, consistent with the trade agreements the Congress and the President have approved.

In the development of farm policy, we have to lead by example. Passing this amendment will help remedy components of a fundamentally flawed bill, but we should recognize that it does not completely reverse the direction in U.S. trade policy that this legislation would have us take.

I find some reassurance in the President's statement of administration policy. The Congress and the President should have the ability to help U.S. farmers, and I support the amendment and have expressed my concerns about the underlying bill.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Mr. Chairman, they say a picture is worth a thousand words. We have talked a lot about this farm bill and how much it increases conservation programs.

This was the 1996 farm bill. This was seen by many, and stated by many of the environmental groups today supporting this amendment, as the greenest farm bill that had ever been written. That was 1996.

Look what we do with conservation programs in this bill. They are increased substantially. If Members look at the individual programs and how much they go up compared to nonpassage of this bill, it is a substantial increase in environmental programs.

Ducks Unlimited have said they do not support this bill because it does not do enough to preserve wetlands. Look at what has happened in wetlands over previous years. This is how much we were losing from 1954 to 1974. Today it is down to this. Look how much of it is lost because of agriculture, the top part, and how much is lost in urban areas. It is primarily the urban areas.

This amendment has problems that are unintended. When you idle farmland, it not only affects the farmer, it affects every community that depends on that farm. This year, in Idaho we idled 150,000 acres due to a power buyback because of the energy crisis. I can tell my colleagues that businesses in every small community that depend on agriculture have seen their businesses decline. Some of them by as much as 50 percent, and that is exactly what will happen when we take land out and set it aside and do not produce on it.

We need to make sure that those businesses stay in business and that they are doing the job that they can for their communities.

Some people are concerned about the fiscal impact of this legislation. Our hope is that farmers do not have to rely on government for payments, that commodity prices cover the cost of raising their crops. And if commodity prices go up, we will spend less under the underlying bill than we have said it will cost.

But with the Kind amendment when Congress puts that money into the environmental programs, it will be spent regardless of what the commodity prices are. That money will be spent, and it will go on forever because once we start those programs, we are never going to stop them, once we increase that acreage as much as my colleagues want to.

We all are concerned about the environment. We are doing in this bill a great deal to improve the environment. Much has been said today about the statement of administration policy or SAP, as it is appropriately called. I want to say this bluntly. I am sorry I have to say it, but we are right and they are wrong.

Mr. Chairman, I hope that once the administration has an opportunity to study this bill and to study farm policy the way that this Committee on Agriculture has for the last 2.5 years and how we can improve the environment and how we can improve the commodity prices for our producers, they will come on board with our bill and see that it accomplishes the goals that they have set forward. I urge my colleagues to defeat the Kind amendment and pass the underlying bill.

Mr. KIND. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Chairman, family farmers are hard working and disciplined; but I want to point out that there are some other groups of people who provide us nourishment, and one is the family fisherman and fisherwoman.

I know a guy named Rudy who used to run a boat called the Shirley Anne when there were abundant salmon stocks in the State of Washington. His family does not fish any more because the salmon are gone, destroyed, caput, because we have silted up the rivers and destroyed a great natural resource.

What this amendment will do and why I am supporting it in part is it will expand the number of farmers and crops who can use this money to help other people who provide food, namely fishermen and fisherwomen. I do not think that is too much to ask.

We are taking only 3 percent of the people who benefit from this, and we are spreading it around to every farmer in the country and saying if they want to help, they are going to have this money simply for conservation.

Let me point out also, this is not a question of taking money away from farmers. It is only a question of what they will do in return for the money. All this amendment suggests is instead of asking them to grow corn, help us grow some fish because it is not corn that is on the Endangered Species Act, it is fish. We are asking farmers who want to help to be allowed to help in that regard.

I want to quote the President of the United States, who has been doing a good job for us lately. His administration policy statement says, ''While overall farm income is strengthened, there is no question that some of our Nation's producers are in serious financial straits, especially smaller farmers and ranchers. Rather than address these unmet needs, H.R. 2646 would continue to direct the greatest share of resources to those least in need of government assistance. Nearly half of all recent government payments have gone to the largest 8 percent of farms, usually very large producers, while more than half of all U.S. farmers share in only 13 percent of the payments.''

Mr. Chairman, H.R. 2646 would only increase this disparity.

Mr. LUCAS of Oklahoma. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. GRAVES).

□ 1615

Mr. GRAVES. Mr. Chairman, I rise today in strong opposition to this amendment. This amendment is not in the best interests of farmers and ranchers in the State of Missouri nor anywhere else in the Nation.

This amendment diverts money out of the hands of working farmers. Throughout this debate, I have heard my colleagues discuss the current farm crisis, the low commodity prices, the struggling family farm operations. I know all too well just how hard it is to stay in production agriculture today. I am a farmer.

I want to remind my colleagues that the legislation we are debating today will guide the agriculture industry for the next 10 years. I believe that farmers in my district would agree that the base bill is a very good bill. It provides the stability that producers need to stay in business while dramatically increasing funding for conservation incentive programs. This amendment that we are talking about disrupts the balance that that base bill tries to strike.

This amendment diverts $15 billion from the farm safety net, hitting those farmers who are hurting the worst the hardest. Furthermore, this diversion of funds from the financial safeguard would be used to expand Federal control and ownership of private lands. Mr. Chairman, this amendment takes lands permanently out of production by devoting billions of dollars to land retirement. This amendment retires productive farmland. Taking land out of production does not ensure the continuation of a safe, affordable, domestic source of food and fiber for our country. In this time of international uncertainty, we do not want to tie the hands of the world's most productive farmers.

I urge my colleagues to defeat this amendment.

Mr. BOEHLERT. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Chairman, I rise also in strong support of this amendment. The underlying bill fails to provide adequate help to small farmers and once again disproportionately benefits the larger commodity producing farms.

The fact of the matter is that this bill does not truly reform the current failures of our Nation's farm policy. I agree with the Bush administration's statement of administration policy on the bill which states, ''The Nation's farm sector has changed significantly due to new technologies, globalization, and environmental concerns, and this bill does not reflect those changes.''

The Kind-Gilchrest-Boehlert amendment will help balance this bill's lopsided payment structure by making more conservation funds available to small family farmers. Due to the dramatic increase in commodity payments, only 5 percent of the USDA's funding has gone towards conservation programs. Rural housing programs have also been squeezed.

Numerous Delaware farmers and growers who do not grow commodity crops have applied for conservation funding to improve our State's water quality, contain nutrient pollution, combat sprawl and assist in wildlife protection. Unfortunately, applicants are being turned away left and right because of a lack of funding for vital conservation programs. Delaware has an almost $10 million backlog in conservation assistance applications. Federal conservation programs have greatly assisted Delaware in its longtime efforts to conserve farmland, protect the environment and improve water quality.

I believe that the bill also will not solve the long-term problem. Due to large agriculture subsidies abroad, particularly Europe, some level of American subsidies for farmers is required. Indeed, even if this amendment passes today, Mr. Chairman, the Nation's commodity farmers who benefit the most from our government subsidies will still receive an 11 percent increase in their annual payments.

I want to highlight a quote from the administration's statement of policy which states, ''H.R. 2646 would depart from this pro-trade direction by significantly increasing domestic subsidies to levels that would undermine our negotiating position in the next round of World Trade Organization negotiations. This bill would likely induce other countries to raise barriers to our products.''

I will not support a bill that harms our ability to open foreign markets to U.S. products. I encourage everyone here to support the amendment.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. POMBO).

Mr. POMBO. I thank the gentleman for yielding time.

Mr. Chairman, I think we have to be honest with ourselves. The reason that we have a Federal agriculture policy at all is to provide a dependable, abundant supply of cheap food for the American people. That is why we do this.

I think that if you look at this amendment and what the impact of the underlying policy goal of Federal ag policy, what the impact would be on that, you have to go to the very source. They take millions of acres of land out of production. Now, some people may like that. Some people may not. But the truth is, is that it puts us in the position of providing less food and fiber for the consumption of the American people, because you are taking millions of acres of land out of production.

I heard earlier in the debate somebody said that we want to give more money to our family farmers, that we want more money for them. And somehow, in the twisted logic, they think that putting them out of business gets more money to them. It does not work that way. We also heard on the debate on dairy earlier about how much people cared about their small dairy farmers. What do you think your small dairy farmers are going to think when their grain prices double or triple or more, because the guys who were producing their grain now put their land in CRP or put their land in wetlands reserve or put their land in one of these biological corridor things that you guys are cooking up in this?

The impact on the dairy farmers is going to be immense. Now, you want to take care of that. You put rotational grazing in there. Just on the back of an envelope trying to figure this out, I figure it is going to take 200 to 300 million acres of land in this country to do rotational grazing with the current dairy stock that we have; 200 to 300 million acres. But we are not going to have that because we are taking it out of production.

Mr. KIND. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. Payne).

(Mr. PAYNE asked and was given permission to revise and extend his remarks.)

Mr. PAYNE. Mr. Chairman, I am in full support of the Boehlert-Kind-

Gilchrest-Dingell amendment. This amendment will increase funding for conservation programs and give farmers and ranchers the ability to solve water quality problems, to improve the health of the land and to protect wildlife. Conservation programs preserve land by encouraging farmers not to farm on highly erodible lands, provide assistance in controlling polluted water runoff and encourages preservation of wetlands.

This amendment successfully addresses the concerns of 70 percent of all farmers who produce at least 80 percent of all agricultural products by increasing conservation programs accessible to all kinds of farming.

This amendment does not take money away from the agriculture community. It will simply shift $1.9 billion a year away from commodity programs to conservation programs, which will subsequently reach more regions of the country.

This amendment also extends the wetlands reserve program. This program continues to be popular in my area of the country in New Jersey, and I am equally pleased to acknowledge the benefits that this amendment will provide to States along the Mississippi River as well as the West and in Florida. I would even like to see us go further, but I will ask that we fully support this amendment and urge my colleagues to vote for it.

Mr. BOEHLERT. Mr. Chairman, I yield 30 seconds to the gentleman from New Hampshire (Mr. BASS).

Mr. BASS. Mr. Chairman, I rise in support of the amendment. A lot has been made about the fact that this amendment would take land out of production. Unfortunately, it is a reality in my State of New Hampshire that farms are really not economic. I would only draw to your attention a farm like Sunny Crest Farm in Concord, New Hampshire, which has benefited from the farmland protection program and can now produce apples for the foreseeable future instead of houses. These programs are critical to the maintenance of a very sad farming situation in the Northeast. I hope that the Congress will adopt this important amendment.

Mr. LUCAS of Oklahoma. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. Mr. Chairman, I rise in opposition to the Kind amendment and want to comment about the comments that have been made regarding trade distortion that would come out of this farm bill, the underlying farm bill, that I think has been crafted so well by the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) and the Committee on Agriculture.

One of the problems with the freedom to farm implementation has not been the freedom to farm concept, but the implementation of it. The Congress has failed until just last year to open markets to our farmers so they could have markets around the world that they could compete in. And so it is improper to say that this is somehow trade distorting, when in fact, farmers have been begging over the years to have access to markets that have been closed to them and that food has been used as a weapon in foreign policy.

What we need certainly is trade promotion authority for this President to go negotiate our agreements with other countries to lower their tariff barriers so that we can have access to their markets, our farmers can.

This amendment, with all due respect to the sponsors and the supporters, would take land out of production. And when it takes land out of production, we jeopardize the food safety and security of our country. If you do not have farmers farming, you are not going to have food produced domestically which we may need in years ahead just as we need it today.

It also has a negative impact. As you put money and land into conservation programs, like CRP and wetlands reserve, you take it out of production. The production agriculture does not then help rural communities, such as the implement store or the seed guy or the food store in rural communities. We are seeing our rural communities in jeopardy around this country. So production agriculture is promoted and assisted in the underlying bill. That is why we must support this bill and reject the amendment.

Mr. KIND. Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. LARSEN), another distinguished member of the Committee on Agriculture.

Mr. LARSEN of Washington. Mr. Chairman, I rise today in support of this amendment. There are three issues that are really driving my support for this amendment. One is the ag economy in my district is in as much desperation as any other district in this country. Second, one of the issues affecting my farmers is suburban encroachment. They need help to continue farming. The third is the listing on the Endangered Species Act of the Puget Sound Chinook salmon, which is wreaking havoc for my family farms.

Having a strong conservation title is important. When I went around my district in April, my farmers asked for three things in a farm bill, a strong trade title, strong research and a strong conservation title. I have learned a lot from the farmers in my district. I have also learned a lot from two people on the committee, the chairman and the ranking member. I want to thank them for the hard work that they have put in to getting the farm bill as far as it has gone. But for my farmers in my district, having a strong conservation title is critically important, which is why I stand today in support of the Kind amendment.

Mr. LUCAS of Oklahoma. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. I thank the gentleman for yielding me this time.

Mr. Chairman, I represent an area that should be the target population for this amendment, a State that does not benefit from the traditional commodities programs, a State that has a tremendous agricultural base, a lot of family farms. But contrary to what the propaganda has been that has been put out there, this bill gives the perception that the money is going to States like Florida, like fruit and vegetable producing States that do not have the grains, but it takes it away with these size limitations.

Forty percent of the dairy farms in Florida would not qualify for any of the benefits placed under the Kind amendment. Ninety percent of the poultry farms would not qualify as put out by our Commissioner of Agriculture in a letter to the delegation this morning.

It is time for some of those environmental groups and sportsmen's groups to pull off the interstate, step out of the Range Rover, get your feet dirty and see what farmers need. Farmers need the ability to continue to produce food and fiber for this Nation. Farmers need the ability to stay in business, with working lands, with productive lands, with assistance to do what they want to do, to raise crops, to grow livestock, not to raise government payments, not to harvest checks from the mailbox, not to be a part of an environmental movement.

If the farm organizations were going to benefit from this program, then how come none of them support this amendment? Do not scratch our ear and walk us to the kill floor. This amendment is bad for farmers. It is bad for agriculture. It is time that we step back and support the original bill that bumps up conservation support, encourages good stewardship of the land and reinforces private property rights and entrepreneurial spirit in the United States and in the agricultural economy.

Mr. BOEHLERT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I rise in strong support of the Boehlert-Kind-Gilchrest-Dingell amendment that will strengthen our existing conservation programs. The amendment embodies many of the important provisions that encourage all agricultural developers to participate in Federal conservation programs. It will help farmers and ranchers improve water quality, protect farmland from urban sprawl, preserve critical wildlife habitat, as well as provide farmers with technical assistance to implement such conservation measures.

□ 1630

The amendment also provides additional funding for small farmers and ranchers to participate in conservation programs. They have in the past been deterred from participating in those programs because of funding shortages.

The amendment provides $1.9 billion above the current amount included in H.R. 2646 for conservation programs. This additional funding for maintaining and expanding the programs does not increase the cost of the farm bill. The amendment simply shifts funds from commodity programs to conservation programs that reach more farmers in more areas of the country. In addition, the amendment does not reduce the amount of funding commodity programs receive. These programs would still receive funding above the average level of the last 10 years.

Maryland conservation efforts will benefit from this increased conservation funding, as will those from other States. The funding for the Conservation Reserve Program, especially for grass and tree buffers near water bodies, would help reduce agricultural pollutants in many Maryland watersheds. In addition, suburban sprawl is swallowing many parts of Maryland. Without some farmland and protection money to pay farmers for the development rights, even more farmland would be lost.

Mr. Chairman, I certainly urge all Members to vote in favor of this amendment.

The CHAIRMAN pro tempore (Mr. HANSEN). The Chair would announce that the gentleman from Wisconsin (Mr. KIND) has 3½ minutes remaining and will be first to close; the gentleman from Texas (Mr. STENHOLM) has 2 minutes remaining and will be second to close; the gentleman from New York (Mr. BOEHLERT) has 2 minutes remaining and will be third to close; and the gentleman from Texas (Mr. COMBEST) or the gentleman from Oklahoma (Mr. LUCAS), as the case may be, has 2 minutes remaining and will close.

Mr. KIND. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Michigan (Mr. BONIOR), the distinguished minority whip.

Mr. BONIOR. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I was on a hike one day in the northern part of my district, crossing it with my wife, and we ran across this farmer who was working in his fields. He came out to greet us. He had an orange that he took out of his knapsack and started to peel it and stopped, and he held it in his hand and he said to me, ''Look at this.'' I looked. And he said, ''See my thumbnail around this orange?'' I said ''Yes.'' He said, ''That is what we have left of prime agricultural land on the planet Earth.''

We are losing 68 square miles of prime agricultural land in the State of Michigan every year. That is comparable to the size of two townships.

Our current backlog request for conservation measures is $45 million. Approximately 88,000 square miles of Great Lakes Basin are devoted to agriculture; yet we lose 63 million tons of top soil from farmland basins each year in our State.

We have got a huge problem with unchecked combined animal feeding operations in the southwest part of our State, raising serious environmental problems. If you do not believe that, ask the people in Milwaukee, Wisconsin, where 104 people died of cryptosporidium that was thought to be caused by animal waste.

Above all, we need to remember that our farmers play a crucial role in preserving our environment, and we should never forget that they are truly the stewards of our land. This amendment does that. It takes care of our land.

The amendment will provide a 63 percent increase in conservation dollars for Michigan farmers. It will increase funding for farmland protection programs so that family farmers can stay in business, despite threats of sprawl and over development.

Finally, and perhaps most importantly, it makes a long-term investment in the rural heritage of our country.

I urge my colleagues to support the Kind amendment.

Mr. KIND. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first of all I want to thank the chairman and ranking member and my other colleagues on the Committee on Agriculture for the obvious hard work all of us have put in in trying to craft the next farm bill. This is not easy stuff.

I want to commend my colleagues for the spirited debate we had on the floor today. This is what democracy is all about. It is being able to raise varying issues, have a discussion about them, and then ultimately a vote. But, again, let me just emphasize a couple of key points in this.

The current commodity subsidy recipients now are going to be getting double the amount of subsidy payments, even under our own amendment under this new farm bill, so it is not like they are going to be experiencing a net loss or we are taking something away. We are only saying that perhaps a little bit of the huge increase that they are going to be getting could be shifted into these voluntary conservation programs so all farmers in all regions will be able to benefit.

There are some who have claimed that we need to send the money to those who are producing the food in the country. I agree. But let us also remember, 70 percent of the farmers in this country are not receiving any commodity subsidies at all; yet those 70 percent of farmers are producing 80 percent of the food market value in this country. I think the time has come to include them into the farm bill and the benefits of the farm bill in a fair and more equitable fashion with the societal benefits that our amendment would also bring.

Mr. Chairman, I urge my colleagues to support our amendment.

Mr. STENHOLM. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, it is not by accident that this Nation has the most abundant food supply, the best quality of food, the safest food supply, at the lowest cost to our people of any country in the world. It is because our agricultural policy has been balanced.

This bill today is more than just commodities and conservation. It is also forestry, trade, research, nutrition, rural development, and credit.

The Committee on Agriculture had a difficult time. We had to fit it within a $73.5 billion budget. Therefore, we had to make tough choices, and that is what we did.

To those who support the amendment today, who I most ardently oppose, let me point out to our colleagues, we are spending on the same programs; it is just the amount of money that you are wanting to spend.

The backlog that everybody has talked about, 561,000 acres in the wetlands reserve, we provide in our $1.5 billion, three times the backlog. In the environmental quality program that the gentlewoman from Connecticut (Mrs. JOHNSON) spoke about a moment ago, we put $800 million more into it than the amendment. In the wildlife habitat, 3,017 applicants for $19 million, we put $385 million. Farmland protection, the backlog, $281 million, we put $500 million.

We meet the needs of the environmental community. This is the greenest farm bill that has ever passed this Congress, and I support it enthusiastically. I oppose the amendment. The amendment will do drastic harm to all of the causes that those who support the amendment profess to believe that they will help.

Mr. BOEHLERT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the bipartisan and geographically dispersed sponsors of my amendment and the administration looked at the base bill and drew the same conclusions.

Let me read from the statement of administration policy: ''The administration believes it is possible to craft a policy that is better for rural America, better for the environment and better for expanding markets for our producers than H.R. 2646.'' We agree. That is why we have sponsored this amendment.

The administration says: ''H.R. 2646 misses the opportunity to modernize the Nation's farm programs through market-oriented tools, innovative environmental programs, including extending benefits to working lands and aid programs that are consistent with our trade agenda.'' We agree. That is why we sponsored this amendment.

The administration notes that the base bill fails to help farmers most in need, those in serious financial straits, especially smaller farmers and ranchers. We agree. That is why we support this amendment.

The administration observes that nearly half of all recent government payments have gone to the largest 8 percent of farms, usually very large producers, while more than half of all

U.S. farmers share in only 13 percent of the payments. H.R. 2646 would only increase this disparity. We agree. That is why we support this amendment.

The farmers who do not receive commodity payments, 70 percent of all farmers produce 80 percent of the value of all agricultural products. If you want to help farmers, if you want clean water, if you want open space, vote for our amendment.

Let me observe, we have heard all day that the bill already increases conservation funding, and it does. But it puts that increase almost exclusively in one program, then it changes the rules to target the program to the largest farmers in the fewest number of States.

I say vote for the Boehlert-Gilchrest-Kind-Dingell amendment. Support America's farmers. Take care of the little guy. I urge passage of the amendment.

Mr. LUCAS of Oklahoma. Mr. Chairman, I yield myself the balance of my time.

First of all, I would like to take note that the administration does not endorse this amendment. Nowhere do I see the administration endorsing the Kind amendment. Furthermore, when the question comes to the big picture of agriculture, perhaps some of the bureaucrats within the administration do not fully appreciate everything that we see going on. So they may be wrong in their general statement about it.

But let us remember this: we have passed comprehensive farm bills since 1933, and the goal of every farm bill is ultimately to provide a safe supply of food and fiber to dress and feed this great Nation. And we have succeeded so well; we have never known a famine in this country in the history of Federal farm policy. That is nothing short of incredible.

Now, the question about backlogs and the needs out there for conservation, we had hearings at full committee, we had hearings at subcommittee. We listened to 23 groups. We listened to everybody who had an interest in this issue, and we addressed every one of their needs.

In the first year of funding in this bill, whether it is EQIP or farmland or every other provision of conservation, we address the needs. We wipe out the backlog, and we go farther. We go farther; $37 billion to be spent on conservation over the next 10 years. It is amazing.

If you had said 10 years ago we could do that, people would have thought you were crazed. If you said 30 years ago we could do that, they would have even been even more amazed.

We have risen to the occasion on the committee, we have addressed all of the needs out there, and we have done it within the resource allocation given to us by the Committee on the Budget.

Yes, we still take care of production agriculture. You will still be able to eat; you will still be able to dress in this country, thanks to the American farmer and rancher. We owe them this.

And, oh, yes, do not forget those conservation programs are cost-share, so when that farmer and rancher is doing things to preserve the soil and water, the wildlife, he is putting down a big chunk of his or her own money. There is nothing free about this.

American farmers and ranchers are the ultimate stewards of the soil, of water, of the wildlife, of the environment, the ultimate stewards; and in this bill we help them become even better stewards, using their resources and some Federal resources together.

Mr. Chairman, let us defeat this amendment, let us pass this bill, let us get on with the agenda of the future of production of agriculture and the environment in this country, and start our hearings on the next bill.

Mrs. KELLY. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from New York, Mr. BOEHLERT.

I rise in support of the amendment offered by my colleague from New York, Mr. BOEHLERT.

This proposal significantly increases the investment in an array of important programs which are critical to conservation efforts in my state of New York and in other states across the country: the EQIP program, the Farmland Protection Program, the Wetlands Reserve Program, the Conservation Reserve Program, and the Wildlife Habitat Incentives Program.

This amendment will help us reach more farmers in more parts of the country. And will assist these farmers in their efforts to protect and restore the health of their land and the livability of their communities.

So I thank my colleagues—Mr. BOEHLERT, Mr. KIND, Mr. GILCHREST, and Mr. DINGELL—for their work on this proposal, and offer my strong support for this amendment.

Ms. KAPTUR. Mr. Chairman, I rise in support to the Boehlert-Kind-Gilchrest-Dingell amendment. It puts added emphasis on conservation programs, and offers more resources based on conservation to all farmers, rather than a limited group.

There is nothing more precious than our land. Without it, we cannot sustain life. Without appropriate measures of assistance, too many producers of row crops, as well as fruits, vegetables and livestock—all find themselves without the ability to undertake the full degree of conservation practices necessary.

At the same time, one of the most significant issues facing our communities is urban sprawl. Across the Nation more than 90 million acres of farmland are threatened by sprawl, and we lose more than 2 million acres every year to development. Unplanned and inefficient development is consuming land at twice the rate of population growth. The Boehlert-Kind-Gilchrest-Dingell amendment provides funding for conservation programs that can help alleviate the consumption of valuable, productive agricultural lands. While putting greater emphasis on conservation.

Why should funding be increased for conservation programs that protect farmland from development?

Sprawl cost taxpayers more dollars for new infrastructure. Farmland or open space generates only 38 cents in costs for each dollar in taxes paid, whereas residential development requires $1.24 in public expenditures for every dollar it generates in tax revenues.

Farms located near urban centers serve as the primary source of fresh, locally grown food. Seventy-nine percent of our fruit, sixty-nine percent of our vegetables, and fifty-two percent of our dairy goods are produced on high quality farmland that is threatened by urban growth. One-third of America's agricultural production occurs on farms near cities. America cannot afford to squander this resource.

Cities and towns can save billions of dollars in municipal water treatment costs. Protecting wetlands and streams prevents costs of water treatment systems downstream.

We know that there is great concern on the part of the Agriculture Committee about the offsets provided by this amendment. The sponsors of the amendment have attempted to target these reductions in a fashion to minimize the impact on over 90 percent of all producers receiving payments.

But keep certain facts in mind. First, even though the last Farm Bill was for seven years, it did not go untouched during its life. If anyone of us here today truly believes that this is the last time we will visit the farm bill until 2011, you have far greater faith than I. There always remains room for improvement.

Second, the emergency programs that we have seen in recent years did not treat producers fairly. Many growers in my district told me how unfair they thought they were, and this included some of the growers receiving the benefits. Even though the bill before us today suggest that it will avoid the problems of emergency bills, it still fails to correct many of the imbalances that exist in the current program, and it fails to provide a broad range safety net for other producers. Where is the Freedom to Farm in protection for some commodities but not for others?

We are at a stage where we need a broad recasting of our farm policy. We need programs that promote conservation. We need to provide support for alternative products like biofuels. We need new thinking, higher value added not old hat solutions.

I urge a "yes" vote on the Boehlert-Kind-Gilchrest-Dingell amendment.

Ms. LEE. Mr. Chairman, I rise in strong support of the Boehlert-Kind-Gilchrest-Dingell amendment.

This amendment to the farm bill will help farmers help the environment by providing funding for vitally important conservation efforts. These include: the Conservation Reserve Programs; restoration of 250,000 acres of wetlands; increased funding for Wildlife Habitat Incentives Program; and the creation of a 3-million-acre grassland reserve.

According to the Kansas City Star and in a recent poll, 75 percent of Americans want conservation to be included in any farm package established by the U.S. Government.

The farm bill, in its current form, excludes equitable relief for 60 percent of farmers. These farmers currently do not receive any benefits from the traditional commodity support programs. This amendment redistributes money more widely and equitable to producers and also improves the environment.

This bill would also save billions of dollars in municipal water treatment costs and would reduce erosion and sediment in the water by providing natural buffers along rivers and streams.

In the past, the U.S. Department of Agriculture opposed small farmers', ranchers', and

forest landowners' requests for assistance in order to restore lost habitat. Also, according to the Bush administration, payments have gone to the largest 8 percent of farms, while more than half of all U.S. farmers share only 13 percent of the payments.

As we establish a legislative framework to assist with land cultivation, we must also invest in sound environmental policies and practices.

The Boehlert-Kind-Gilchrest-Dingell amendment is supported by numerous organizations including: the League of Conservation Voters, the Water Environment Federation, the National Association of Water Companies, the U.S. Conference of Mayors, Ducks Unlimited, Trout Unlimited, the Izaak Walton League, and Defenders of the Wildlife.

I urge my colleagues to join me in voting ''yes'' for the Boehlert-Kind-Gilchrest-Dingell amendment.

Mr. MCINTYRE. Mr. Chairman, I would like to take this opportunity to thank the gentlemen from Texas, Chairman COMBEST and CHARLIE STENHOLM, not only their hard work in crafting this farm bill, but also for the way in which they worked with members from all areas of the country to make sure we had the best bill that could have been drafted under the tough circumstances we faced.

This bill will go a long way to help many of the producers that I represent in southeastern North Carolina, and believe me: the timing could not have come sooner. The agriculture sector is struggling in America, and farmers need our help. This bill provides an additional $73.5 billion for agriculture and our rural communities during a time they need it most.

However, I would like to mention one area that could have used additional funding. For the past 6 years, peanut producers have been operating under a price support system that guaranteed $610 per ton of peanuts. During this time, the farmers' input costs, such as fuel and fertilizer, have also steadily increased, squeezing already thin profit margins. This bill changes the current program, and I fear North Carolina peanut producers will earn even less, only exacerbating farm sales in my area. Therefore, as this bill moves forward, I hope additional funds will be found for peanut producers.

Nonetheless, Mr. Chairman, this is a good bill overall; I urge my colleagues to support it.

Mr. UDALL of Colorado. Mr. Chairman, I support this bipartisan amendment because it will help farmers and ranchers to be even better stewards of their lands.

Farmers provide the backbone of America by putting food on our tables. But agriculture is a hard business.

Food prices fluctuate for a number of reasons, which in turn can affect the demand and price for certain crops. Poor crop prices hit farmers were it hurts the most—the pocketbook. When a farmer is having trouble taking care of his or her own family, taking care of the land can become a less important priority.

But we can change that with this amendment, which will put a new and greater emphasis on successful conservation programs.

The Wetland Reserve Program, the Wildlife Habitat Incentives Program, Farmland and Ranchland Protection Program, and the Conservation Reserve Program are just a few of the programs that are the focus of the amendment.

These programs give incentives to farmers to restore wetlands, improve natural habitats for endangered species and hold the line against urban sprawl by preserving open space.

Farmers and ranchers want to participate in these programs. Unfortunately, many cannot. These programs have not had the resources to allow everyone who qualifies to take part. This amendment will go far to remedy that situation.

This farm bill will leave a lasting mark and provide the direction for American farm policy for the next 10 years. So, it is important that we make it as good as we can. Passing this amendment will be a big, important step in that direction.

I urge adoption of the amendment. If we do we will strengthen our family farms while making conservation an even bigger part of the foundation of our farm policy.

For the benefit of my colleagues, I would like attach an editorial that was printed in the Denver Post that helps illustrate why we need to pass this important amendment.

AID FARMERS AND ENVIRONMENT

Ever since Franklin D. Roosevelt's New Deal tried to stabilize farm prices during the Great Depression, laws passed by Congress have waged a losing fight against the laws of economics.

This year, four U.S. representatives—Sherwood Boehlert, R-N.Y.; Ron Kind, D-Wis.; Wayne Gilchrest, R-Md.; and John Dingell, D-Mich.—are trying to introduce a note of realism into U.S. farm policy by amending key parts of their Working Lands Stewardship Act, HR 2375, into the latest farm bill.

To understand why the new approach is promising requires a quick look at why the old one failed. Low farm prices are caused by an oversupply of farm commodities. Seven decades of subsidies haven't cured that problem because—by definition—subsidies encourage more production of the very commodities that are already in oversupply.

To be sure, for more than 60 years, the U.S. imposed half-hearted restrictions on production of subsidized crops. But a farmer who planted 100 acres of wheat and later received a 90-acre allotment invariably tore up his or her least productive land. Then, that supposedly ''idled'' land would be sown with millet, barley or some other unsubsidized crop—as allowed by the subsidy law—and thus go on contributing to the overall surplus of feed grains.

The 1996 Freedom to Farm Act separated subsidies from production and supposedly intended to phase out subsidies entirely in seven years. But the Asian currency collapse ruined U.S. export markets, farm prices plunged and Congress hurriedly renewed the counterproductive policy of subsidizing overproduction.

The Boehlert amendment is designed to help farmers and the environment alike by diverting $5.4 billion per year from subsidies to conservation. Instead of merely diverting acreage from one crop to another as the discredited allotment system did, the Boehlert amendment pays farmers to put more land into conservation programs, including:

The Environmental Quality Incentives program, which helps farmers and ranchers preserve watersheds.

The Wildlife Habitat Incentives Program, which helps landowners enhance wildlife habitat.

The Wetlands Reserve Program, which protects, preserves and restores wetlands on marginal soils.

The Grassland Reserve Program, which authorizes preservation of 3 million acres of fragile grasslands that should not be plowed.

The Conservation Reserve Program, a long-term cropland retirement program that enables producers to convert highly erodible or environmentally sensitive cropland to cover crops.

The environmental benefits of such programs are obvious. The benefit for the farmers who receive such payments is equally clear. But even farmers who don't participate in such programs also benefit indirectly—because taking environmentally fragile farmland out of production also reduces the surpluses that keep farm commodity prices at ruinous levels.

For nearly seven decades, Congress fought the law of supply and demand—and the law of supply and demand won. It's high time to stop subsidizing the very overproduction that causes the need for subsidies in the first place.

We urge all members of Colorado's congressional delegation to support the Boehlert amendment.

Ms. ESHOO. Mr. Chairman, as a cosponsor of the Working Lands Stewardship Act, I rise in strong support of the Boehlert-Kind-Gilchrest-Dingell amendment to H.R. 2646.

Like the Working Lands Stewardship Act, this amendment will substantially increase resources for farm conservation. American farmers are the most productive in the world and are responsible for the largest export sector in our economy. Yet our farmers are also sensitive to the environment on which they depend for their livelihoods. The competition for federal farm conservation programs proves this fact. Three of every four applications for conservation programs are turned down because of a lack of funding.

Clearly, American farmers want to be good stewards of the environment and want greater funding for conservation programs. This amendment provides these resources.

The amendment will also provide more equity to farmers who do not grow traditional commodity products, such as corn, soybeans, and wheat. In my district, farmers grow specialty crops, such as brussels sprouts, which are eligible for commodity assistance. Through this amendment, more of these farmers will be eligible for federal assistance under conservation programs.

This investment will not only benefit our farmers, it will benefit our environment, protect wildlife habitats and wetlands, and promote organic and environmentally friendly farming techniques.

I urge my colleagues to vote for the Boehlert-Kind-Gilchrest-Dingell amendment.

Mr. RAMSTAD. Mr. Chairman, I rise in strong support of the Boehlert-Kind-Gilchrest conservation amendment to H.R. 2646, the farm bill of 2001.

Based on the Working Lands Stewardship Act, this important amendment would go a long way to protect and preserve the environment through existing, voluntary, incentive-based conservation programs.

Mr. Chairman, our farm policy should reward farmers and ranchers when they meet our Nation's environmental challenges. As we all know, two of three farmers currently seeking USDA conservation assistance are denied due to lack of funding. Unless we increase conservation funding, one-third of our rivers and lakes will remain polluted, millions of acres of open space will be lost and scores of species will become extinct.

This critical conservation amendment will improve water quality, protect against flooding and provide a safe haven for wildlife. That's why it's so important to not only rural America,

but suburban and urban America as well. After all, preserving and protecting the environment is an obligation all Americans share.

The committee's bill is totally inadequate as a conservation measure because it fails to tie government farm payments to conservation practices, and the funding for conservation programs is clearly insufficient.

The amendment before us is absolutely essential to increase access to the Conservation Reserve Program (CRP), the Wetlands Reserve Program (WRP), the Grasslands Reserve Program (GRP), and the Wildlife Habitat Incentives Program (WHIP).

Let's pass the Boehlert-Kind amendment. Let's do the right thing for America's future and increase conservation of our precious natural resources.

Make no mistake about it. This vote is one of the most important environmental protection votes of the decade. I urge a ''yes'' vote for this critical conservation amendment.

Mr. KUCINICH. Mr. Chairman, as a representative of an urban district, I am proud to express my strong support for the Boehlert-Kind-Gilchrest-Dingell amendment.

My citizens in Parma, OH, a suburb of Cleveland, have been struggling for over a year to save wetlands in their city from development. A century of sprawl has left only 153 acres of wetlands there. These wetlands are part of a watershed of the Cuyahoga River, an American Heritage river that feeds into Lake Erie, and these wetlands are critical to ecological health. The citizens in my district, in their effort to set wetlands aside and restore them, need a federal solution.

The programs in the Boehlert-Kind-Gilchrest-Dingell amendment are needed now more than ever to help. These programs are critical in order to preserve urban greenspace and dedicate resources to wetland preservation before development takes over all greenspace and wetlands.

The Boehlert-Kind-Gilchrest-Dingell amendment would help protect the more than 90 million of acres of farmland that are currently threatened by sprawl by increasing funding to $100 million for FY2002 and increasing this amount through 2011. It would protect urban greenspace by boosting mandatory funding to $50 annually through 2011.

These programs are crucial to cities across America. My citizens are struggling with the problems of sprawl and lack of wetlands protection now. Small, individual communities and farmers don't have the planning strategy and resources to effectively prevent these problems. There is a need for the programs and funding in this amendment, and this need existed years ago. This amendment is overdue.

We should approve this amendment so other communities don't have to put up the same fight to save greenspace in their cities, and I urge my colleagues to vote for the Boehlert-Kind-Gilchrest-Dingell amendment

Ms. SLAUGHTER. Mr. Chairman, I rise today in support of the Boehlert-Kind-Gilchrest-Dingell amendment to H.R. 2646, the Farm Security Act of 2001. This amendment would expand Federal conservation efforts and more equitably distribute federal funds from USDA income support programs.

The Boehlert-Kind-Gilchrest-Dingell amendment would expand several conservation programs that are incredibly beneficial to farmers in my home State of New York, as well as farmers across the country. According to USDA, New York State received only 0.53 percent of the total conservation funding. We can do much better.

In fact, 34 States fare better under this amendment than under H.R. 2646. By shifting just 15 percent of the $12 billion spent annually on commodities from these programs to conservation, more farmers in more States will get assistance. Programs such as the Environmental Quality Incentives Program, Farmland Protection Program, Wetlands Reserve Program, Conservation Reserve Program, and Wildlife Habitat Incentives Program are all improved to address the needs of smaller and disadvantaged farmers more adequately.

In addition, New York farmers receive only about 0.65 percent of the total Federal crop funding. This amendment would ensure that noncommodity crop producers are eligible for a larger share of Federal farm spending, which is currently concentrated in select States.

In fact, farmers in New York, as well as those in California, Florida, North Carolina, and Pennsylvania receive only 3 cents in Federal funds for every dollar they earn, compared with the 20 cents per dollar received by farmers in the Great Plains States.

However, this measure does not destroy the safety net for commodity producers. Under the Boehlert-Kind-Gilchrest-Dingell amendment, producers—even the top 10 percent of producers—still get higher payments than the average of the past 10 years, and many times more than they were slated to receive under the last farm bill.

In fact, the Bush administration agrees that H.R. 2646 directs Federal payments to those with the least need, saying yesterday that ''there is no question that some of our Nation's producers are in serious financial straits, especially smaller farmers and ranchers. Rather than address these unmet needs, H.R. 2646 would continue to direct the greatest share of resources to those least in need of government assistance.''

Many prominent State agencies, agricultural and conservation groups have endorsed the Boehlert-Kind-Gilchrest-Dingell amendment to H.R. 2646, including the New York State Department of Agriculture, the Audubon Society, and the Wildlife Management Institute. This amendment is a step forward in our efforts to ensure the future of American agriculture and preserve our environment simultaneously. I urge my colleagues to support this important amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. BOEHLERT).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BOEHLERT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 226, not voting 5, as follows:

[Roll No. 366]

AYES—200

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett
Bass
Becerra
Berman
Biggert
Bilirakis
Blumenauer
Boehlert
Bonior
Borski
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capito
Capps
Capuano
Cardin
Carson (IN)
Castle
Clay
Conyers
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Ehlers
Ehrlich
Engel
Eshoo
Farr
Fattah
Ferguson
Filner
Fossella
Frank
Frelinghuysen
Gephardt
Gilchrest
Gilman
Goss
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Harman
Hart
Hinchey
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kirk
Kleczka
Kolbe
Kucinich
LaFalce
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Lewis (GA)
LoBiondo
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller (FL)
Miller, George
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Ney
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Petri
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Reynolds
Rivers
Roemer
Rohrabacher
Rothman
Roukema
Roybal-Allard
Ryan (WI)
Sanchez
Sanders
Sawyer
Saxton
Schakowsky
Schiff
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Slaughter
Smith (NJ)
Smith (WA)
Solis
Stark
Strickland
Stupak
Sununu
Sweeney
Tauscher
Thompson (CA)
Tierney
Toomey
Towns
Udall (CO)
Udall (NM)
Upton
Velazquez
Walsh
Waters
Watson (CA)
Waxman
Weiner
Weldon (PA)
Wexler
Wolf
Woolsey
Wu
Wynn

NOES—226

Aderholt
Akin
Armey
Baca
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bentsen
Bereuter
Berkley
Berry
Bishop
Blagojevich
Blunt
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Carson (OK)
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Emerson
English
Etheridge
Evans
Everett
Flake
Fletcher
Foley
Forbes
Ford
Frost
Gallegly
Ganske
Gekas
Gillmor
Gonzalez
Goode
Goodlatte
Gordon
Graham
Granger
Graves
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa

Hobson	Moran (KS)	Shimkus
Horn	Myrick	Shows
Hostettler	Nethercutt	Simpson
Hulshof	Northup	Skeen
Hunter	Norwood	Skelton
Hyde	Nussle	Smith (MI)
Isakson	Ortiz	Smith (TX)
Issa	Osborne	Snyder
Istook	Ose	Souder
Jenkins	Otter	Spratt
John	Oxley	Stearns
Johnson (IL)	Paul	Stenholm
Johnson, Sam	Pence	Stump
Jones (NC)	Peterson (MN)	Tancredo
Keller	Peterson (PA)	Tanner
Kennedy (MN)	Phelps	Tauzin
Kerns	Pickering	Taylor (MS)
Kingston	Pitts	Taylor (NC)
Knollenberg	Platts	Terry
LaHood	Pombo	Thomas
Lampson	Pomeroy	Thompson (MS)
Largent	Portman	Thornberry
Latham	Putnam	Thune
Leach	Radanovich	Thurman
Levin	Regula	Tiahrt
Lewis (CA)	Rehberg	Tiberi
Lewis (KY)	Reyes	Traficant
Linder	Riley	Turner
Lipinski	Rodriguez	Vitter
Lucas (KY)	Rogers (KY)	Walden
Lucas (OK)	Rogers (MI)	Wamp
Manzullo	Ros-Lehtinen	Watkins (OK)
Matheson	Ross	Watt (NC)
McCrery	Royce	Watts (OK)
McInnis	Rush	Weldon (FL)
McIntyre	Ryun (KS)	Weller
McKeon	Sabo	Whitfield
McKinney	Sandlin	Wicker
Meek (FL)	Schaffer	Wilson
Mica	Schrock	Young (AK)
Miller, Gary	Scott	Young (FL)
Mink	Sessions	
Moore	Shadegg	

NOT VOTING—5

Burton	Gibbons	Visclosky
Collins	Houghton	

□ 1706

Messrs. ROGERS of Michigan, RILEY, THOMAS, HUNTER, and RUSH, and Mrs. MEEK of Florida changed their vote from ''aye'' to ''no.''

Ms. MILLENDER-McDONALD changed her vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 8 OFFERED BY MR. BLUMENAUER

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Oregon (Mr. BLUMENAUER) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

VACATING REQUEST FOR RECORDED VOTE ON AMENDMENT NO. 8 OFFERED BY MR. BLUMENAUER

Mr. BLUMENAUER. Mr. Chairman, since my request for a recorded vote on my amendment that would have banned interstate transfer of game birds for cockfighting purposes, I have had conversations with the Chair and ranking member of the Committee.

I would like to express my appreciation for their commitment to work to keep these provisions in the bill, I would like to acknowledge it, and accordingly, I ask unanimous consent to withdraw my request for a recorded vote and ask that that be vacated, and that the question on agreeing to the amendment be put to the Chamber de novo.

The CHAIRMAN pro tempore. Without objection, the demand for a recorded vote is vacated.

There was no objection.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Oregon (Mr. BLUMENAUER).

The amendment was agreed to.

AMENDMENT NO. 16 OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. CONYERS:

In title V, strike section 517 and redesignate succeeding sections (and amend the table of contents) accordingly.

At the end of title IX, insert the following;

SEC. 9_____. TRANSPARENCY AND ACCOUNTABILITY FOR MINORITY AND DISADVANTAGED FARMERS.

(a) PURPOSE.—The purpose of this section is to ensure compilation and public disclosure of data critical to assessing and holding the Department of Agriculture accountable for the equitable participation of minority, limited resource, and women farmers and ranchers in programs of the Department.

(b) USE OF TARGET PARTICIPATION RATES IN ALL DEPARTMENT OF AGRICULTURE PROGRAMS FOR FARMERS AND RANCHERS.—

(1) ESTABLISHMENT.—For each county and State in the United States, the Secretary of Agriculture shall establish an annual target participation rate equal to the number of socially disadvantaged residents in the political subdivision in proportion to the total number of residents in the political subdivision. In this section, the term ''socially disadvantaged resident'' means a resident who is a member of a socially disadvantaged group (as defined in section 355(e)(1) of the Consolidated Farm and Rural Development Act).

(2) COMPARISON WITH ACTUAL PARTICIPATION RATES.—The Secretary shall compute annually the actual participation rates of socially disadvantaged and women farmers and ranchers as a percentage of the total participation of all farmers and ranchers, for each program of the Department of Agriculture in which a farmer or rancher may participate. In determining these rates, the Secretary shall consider the number of socially disadvantaged farmers and ranchers of each race or ethnicity, and the number of women participants in each county and State in proportion to the total number of participants in each program.

(c) COMPILATION OF ELECTION PARTICIPATION DATA, AND PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.—Effective 90 days after the date of the enactment of this section, section 8(a)(5)(B) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 509h(a)(5)(B)) is amended by adding at the end the following:

''(v)(I) The committee shall publicly announce at least 10 days in advance the date, time, and place where ballots will be opened and counted. No ballots may be opened until such time, and anyone may observe the opening and counting of ballots.

''(II) Within 20 days after the elections, the committee shall compile and report to the State and national offices the number of eligible voters in the county and in each open local administrative area or at large district, the number of ballots counted, the number and percentage of ballots disqualified, and the proportion of eligible voters compared to votes cast. The committee shall further compile, in each category above, the results aggregated by race, ethnicity, and gender, as compared to total eligible voters and total votes. The committee shall also report as provided above, the number of nominees for each open seat and the election results, aggregated by race, ethnicity and gender, as well as the new composition of the county or area committee.

''(III) The Secretary shall, within 90 days after the election, compile a report which aggregates all data collected under subclause (II) and presents results at the national, regional, State, and local levels.

''(IV) The Secretary shall analyze the data compiled in subclauses (II) and (III) and within 1 year after the completion of the report referred to in subclause (III), shall prescribe (and open to public comment) uniform guidelines for conducting elections for members and alternates of county committees, including procedures to allow appointment as voting members of groups, or methods to assure fair representation of groups who would be demographically underrepresented in that county.''.

(d) REQUIREMENTS FOR ELECTRONIC, WEB, AND PRINTED DISCLOSURE OF DATA.—The Secretary shall compile the actual number of farmers and ranchers, classified by race or ethnicity and gender, for each county and State with national totals. The Secretary shall, for the current and each of the 4 preceding years, make available to the public on websites that the Department of Agriculture regularly maintains, and in electronic and paper form, the above information, as well as all data required under subsection (b) of this section and section 8(a)(5)(B)(v) of the Soil Conservation and Domestic Allotment Act, at the county, State, and national levels in a manner that allows comparisons among target and actual program and election participation rates, among and between agricultural programs, among and between demographically similar counties, and over time at the county, State and national levels.

(e) REPORT TO CONGRESS.—The Secretary shall maintain and make readily available to the public all data required under subsections (b) and (d) of this section and section 8(a)(5)(B)(v) of the Soil Conservation and Domestic Allotment Act collected annually since the most recent Census of Agriculture. After each Census of Agriculture, the Secretary shall report to Congress and the public the rate of loss or gain in participation by each group, by race, ethnicity, and gender, since the previous Census of Agriculture.

(f) ACCOUNTABILITY.—The Secretary may also use the above data, including comparisons with demographically similar counties and with national averages, to monitor and evaluate election and program participation rates and agricultural programs, and civil rights compliance, and in county committee employee and Department of Agriculture employee performance reviews, and in developing outreach and other strategies and recommendations to assure agriculture programs and services meet the needs of socially disadvantaged and women producers.

(g) CONFORMING AMENDMENT.—Section 355(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2005(c)(1)) is amended to read as follows:

''(1) ESTABLISHMENT.—In paragraph (2), the term 'target participation rate' means, with respect to a State, the target participation rate established for purposes of subtitle B of this title pursuant to section 9____(c)(1) of the Farm Security Act of 2001.''.

MODIFICATION TO AMENDMENT NO. 16 OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I ask unanimous consent to replace the amendment with a conforming amendment.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 16 offered by Mr. CONYERS:

In title V, strike section 517(a).

Conform the section heading (and table of contents) accordingly.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. CHAMBLISS. Mr. Chairman, reserving the right to object, I would just like to engage in a colloquy with the gentleman from Michigan.

This particular amendment offered by the gentleman from Michigan deals with a provision that I asked to be inserted in the bill and was inserted during the course of the markup in the Committee on Agriculture, and it did pass and is in the mark.

The particular provision deals with direct operating loans made by the Farm Service Agency to farmers versus guaranteed operating loans that are made by the Farm Service Agency that are guaranteed by banks.

The problem that I seek to address with this particular provision is that the default rate on loans, direct loans made by the Federal Government, is somewhere historically in the 10 to 12 to 14 percent range, whereas the default rate on guaranteed loans has historically been more in the range of 1 to 2 to 3 percent.

Now, that is a lot of money that the Federal Government is losing because of the direct operating loans made by the bank. What we simply sought to do was to basically get the government out of the farm lending business and let the financial institutions make those loans.

The gentleman, I understand, has agreed to modify his amendment, which I am willing to accept, because what we asked for in addition to the sunset was a study to be done by GAO on the guaranteed as well as the nonguaranteed loans. I am perfectly willing to do that, and we agreed to modify the sunset provision.

But I wanted to explain exactly why we did ask for this provision. It is not directed to any particular group of farmers around the country or types of farmers around the country, but if we are losing money on these loans and the banks are not, we need to know what we are doing wrong.

With that, I will refer back to the gentleman, on his amendment.

□ 1715

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. Reserving the right to object, I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I wanted to thank the gentleman for his statement and for his understanding that we have a serious problem here with the minority farmers in America, the black farmers in particular.

We have got a problem here with the participation rates, with the Farm Service Agency, county committee elections and a number of other very genuine concerns. What I thought might be appropriate and part of our agreement, Mr. Chairman, is that we proceed at some expedient time to have hearings in the committee on these aggregate issues that are before us. Is that part of the Chairman's understanding?

Mr. CHAMBLISS. Mr. Chairman, that is a fair request and we are absolutely willing to work with the gentleman on doing that.

Mr. CONYERS. Mr. Chairman, I am very glad to hear that. As the gentleman knows, there are a number of organizations that are working with us on this because we have these elections procedures that also are part of the review that we would like the Committee on Agriculture to make.

So with those understandings I would be happy to yield to the gentlewoman from North Carolina if she wanted to add something, or she can secure time on her own.

Mrs. CLAYTON. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. Mr. Chairman, further reserving the right to object, I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding. I thank the gentleman from Michigan (Mr. CONYERS) for his leadership in this issue.

There were two issues that this amendment addressed. One was the direct loan being sunset, denying disadvantaged and small farmers and ranchers the opportunity to go directly to the Department of Agriculture and borrow money other than through the guarantee loans. Many of us felt that to deny that opportunity would deny small farmers and ranchers an opportunity that more secure persons had. So we felt very strongly and I thank the gentleman for raising that.

I understand that what the gentleman has done is to say that he is willing to strike that altogether and just have the study.

Mr. CHAMBLISS. Mr. Chairman, that is correct. We have worked with the gentleman from Michigan (Mr. CONYERS) earlier to strike that sunset provision. We will proceed ahead with the studies that we had in there as another part of it. We will have hearings on it after the studies are done and we will see what is the best route to take.

Mrs. CLAYTON. Mr. Chairman, the other part of the Conyers amendment spoke to the civil rights issues both in the equity and distribution of Farm Services that are administered through Farm Services, whether they are loans, technical assistance or environmental programs. The array of programs we give all farmers. We wanted public record of that so that we knew that that would be going to all farmers equitably, without regard to race, without regard to gender or size.

The second part of that was a fair distribution of the election of the committee. My understanding on that was that we would have hearings to vet that and come to see how we could get a more fair representation on the committee and have some public disclosure on how public funds were being spent in various counties. Am I correct in my understanding?

Mr. CONYERS. Mr. Chairman, if the gentleman will yield, the gentlewoman has stated it perfectly.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I just want to share with the gentlewoman from North Carolina (Mrs. CLAYTON) and the gentleman from Michigan (Mr. CONYERS) my total cooperation with the spirit of this unanimous consent request. The study will go forward, but there will be hearings to address all of the questions that are raised with this. I will be more than happy to work with the gentleman from Georgia (Mr. CHAMBLISS) and the gentleman from Texas (Mr. COMBEST).

Mr. CHAMBLISS. I think the requests are fair and I look forward to working with my colleagues.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the modification?

There was no objection.

The CHAIRMAN pro tempore. The modification is agreed to.

Does the gentleman from Michigan (Mr. CONYERS) seek time on his amendment?

Mr. THOMPSON of Mississippi. Mr. Chairman, for more than 60 years, the Federal government has fostered rural development through farm credit and other programs that are vital to small farms. Small, minority, women and beginning farmers have often had no other access to credit than USDA and Farmers Home Administration.

The Conyers amendment preserves this traditional role as the ''lender of last resort'', maintaining open entry for a new generation of farmers by restoring the direct lending role that would otherwise end in five years.

The programs and services of the Federal government should be freely accessible and open to all who are eligible to receive them. Local participation has been one of the highpoints of USDA programs for years. To make this goal a reality, Mr. Conyers has worked with the Majority to reinstate the direct lending provisions of H.R. 2646.

However, some farmers have been excluded who do not meet some local idea of eligible farmers. Minority farm loss in previous decades has skyrocketed at a rate more than three times that of other farmers. Between 1987 and 1997, an additional 20% of African-American farms were lost.

The lack of clear data on how many minority and women producers are on the land and

participating in USDA programs is a critical barrier to any efforts to seek fairness.

To address this problem, it is my understanding that the majority has agreed to hold full committee hearings on the subject of equitable participation in the FSA county committee system. As a member of the Agriculture Committee, I expect that we will be able to recommend that target participation rates be computed for each county and state based on the total number of socially-disadvantaged residents in a county in proportion to the number of residents as a whole. This data would then be posted for each USDA program by county, state, and nationally on all USDA websites.

We want to ensure equitable participation by all farmers in county committee elections and to provide public information and oversight of elections. To accomplish these goals, the responsible course of action is to require the opening of all ballots be open to the public. Election results would be posted to the Internet and the Secretary would have authority to intervene when adequate representation is not achieved.

Mr. Chairman, the success of our smallest farmers depends largely the willingness of the Federal government to ensure a fair process. I submit that the Conyers amendment seeks to level a playing field that has operated to their disadvantage for some time. I urge my colleagues to support the Conyers amendment and vote for its passage.

Mr. CONYERS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment, as modified, offered by the gentleman from Michigan (Mr. CONYERS).

The amendment, as modified, was agreed to.

AMENDMENT NO. 1 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. TRAFICANT:

At the end of title IX (page ____, after line ____), insert the following new section:

SEC. ___. COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES USING FUNDS PROVIDED UNDER THIS ACT.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds made available under this Act, whether directly using funds of the Commodity Credit Corporation or pursuant to an authorization of appropriations contained in this Act, may be provided to a producer or other person or entity unless the producer, person, or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) SENSE OF CONGRESS.—In the case of any equipment, products, or services that may be authorized to be purchased using funds provided under this Act, it is the sense of Congress that producers and other recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

(c) NOTICE TO RECIPIENTS OF FUNDS.—In providing payments or other assistance under this Act, the Secretary of Agriculture shall provide to each recipient of the funds a notice describing the requirements of subsection (a) and the statement made in subsection (b) by Congress.

MODIFICATION TO AMENDMENT NO. 1 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent that the amendment be modified with the language at the desk.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to Amendment No. 1 offered by Mr. TRAFICANT:

Page 361, add after line 3 the following:

TITLE X—REPORTS

SEC. 1001. ANNUAL REPORT ON IMPORTS OF BEEF AND PORK.

The Secretary shall submit to the Congress an annual report on the amount of beef and pork that is imported into the United States each calendar year.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request to the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, this modification strictly says that shall be a study as to the impact of beef and pork being imported to America and it shall report back to the respective committees on these imports which affect our cattle and pork producers which have suffered some grave problems.

Mr. Chairman, I yield to the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman yielding. We have had a discussion on this amendment and it is acceptable to us. I appreciate the gentleman's help.

Mr. TRAFICANT. We have seen news reels of farmers literally shooting their livestock. We have seen live hogs selling for 17 cents a pound. This basically is a study that will inform the leadership of our Congress as to the impact of foreign beef and pork into America, hogs and cattle.

Mr. Chairman, with that I ask that the amendment be accepted. I believe it makes sense that we should do this and have the exact quantification of the numbers and its impact on many small farmers who use land that is not necessarily able to produce good cash crops but can raise, in fact, good nutritious meat and other by-products.

Mr. Chairman, I yield to the distinguished chairman of the committee, the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Chairman, I am not sure about what the earlier statement that I did make that was not clear, but as I indicated, we accept the amendment.

Mr. TRAFICANT. Mr. Chairman, I yield to the distinguished ranking member, the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, we also accept the amendment.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment, as modified, offered by gentleman from Ohio (Mr. TRAFICANT).

The amendment, as modified, was agreed to.

AMENDMENT NO. 41 OFFERED BY MR. MILLER OF FLORIDA

Mr. MILLER of Florida. Mr. Chairman, I offer Amendment No. 41.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 41 offered by Mr. MILLER of Florida:

Strike sections 151, 152, and 153 (page 75, line 19, through page 102, line 20) and insert the following new section:

SEC. 151. SUGAR PROGRAM.

(a) EXTENSION OF PROGRAM AT REDUCED LOAN RATES.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) in subsection (a), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugercane and 17 cents per pound for raw cane sugar for the 2002 through 2011 crops of sugarcane.'';

(2) in subsection (b), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugar beets and 21.6 cents per pound for refined beet sugar for the 2002 through 2011 crops of sugar beets.''; and

(3) in subsection (i), by striking ''2002'' and inserting ''2011''.

(b) EXPIRATION OF MARKETING ASSESSMENT.—Effective October 1, 2003, subsection (f) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is repealed.

(c) INCREASE IN FORFEITURE PENALTY.—Subsection (g)(2) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended by striking ''1 cent'' and inserting ''2 cents''.

(d) AVAILABILITY OF SAVINGS FOR CONSERVATION AND ENVIRONMENTAL STEWARDSHIP PROGRAMS.—

(1) IN GENERAL.—The Secretary shall use funds appropriated pursuant to the authorization of appropriations in paragraph (3) to augment conservation and environmental stewardship programs established or amended in title II of this Act or for other conservation and environmental programs administered by the Department of Agriculture.

(2) PRIORITY.—In using the funds appropriated pursuant to the authorization of appropriations in paragraph (3), the Secretary shall give priority to conservation and environmental programs administered by the Department of Agriculture that conserve, restore, or enhance the Florida Everglades ecosystem.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary $30,000,000 for each of the fiscal years 2002 through 2011. Amounts appropriated pursuant to this authorization of appropriations shall be available until expended and are in addition to, and not in place of, other funds made available under this Act or any other Act for the programs referred to in paragraph (1).

Mr. MILLER of Florida. Mr. Chairman, before I begin, I yield to the gentleman from Florida (Mr. SHAW).

(Mr. SHAW asked and was given permission to revise and extend his remarks.)

Mr. SHAW. Mr. Chairman, I thank my friend for yielding.

I want to congratulate my colleagues, the gentleman from Florida (Mr. MILLER) and the gentleman from California (Mr. GEORGE MILLER) on a worthwhile amendment.

Mr. Chairman, I rise in support of this amendment because reforming the sugar program will help clean up the Everglades. It will allow our constituents to keep their hard earned tax dollars instead of handing them over to sugar growers.

We are asking taxpayers to spend $8 billion to clean up the Everglades. At the same time—the sugar industry, which continues to pollute this national treasure, is being subsidized by those same taxpayers. Taxpayers should not be asked to support this program.

With my statement, I am submitting an editorial from the Orlando Sentinel illustrating the substantial damage the sugar program has done to the environment. Reforming the sugar program will help clean up the Everglades at a faster pace.

The current sugar program costs consumers over $1.9 billion per year according to the General Accounting Office (GAO). The program, which sugar growers claim operates at no net cost actually cost taxpayers $435 million last year when the growers forfeited roughly one million pounds of sugar. To compound that injury, all our constituents are helping to pay $1.4 million per month to store sugar the government can't get rid of.

If that isn't enough, the Orlando Sentinel article states that, Big Sugar is back asking for more government bailouts. Last summer sugar growers were bailed out again when $54 million worth of sugar was purchased by the Department of Agriculture. They emphasized that this wouldn't happen again, yet this year they had another payment in Kind program (PIK) where they told beet farmers, plow up $20,000 worth of sugar and we will give you $20,000 worth of sugar sitting in our warehouses. What a waste of money. We ask you to stand up to the attempts of the sugar growers to line their own pockets with your constituent's tax dollars.

The Miller-Miller Amendment:

Reforms but does not eliminate the program.

It is consistent with the Administration's principles that we should not rely on production controls and we should get away from government run price supports.

Makes the program more market-oriented by reduced support levels.

Protects the environment through reduced production.

Provides for savings to protect surplus.

Provides for increased funding for protecting the environment, particularly the Everglades.

The Miller-Miller amendment is an attempt to bring some sanity to this sugar program. It is supported by taxpayer, consumer, environmental and business groups from across the spectrum. It deserves your support.

[From the Orlando Sentinel, Oct. 1, 2001]

DERAIL SUGAR AID

Our position: The sugar industry's attempt to protect itself is downright obscene.

The nation's financial needs in the wake of the horrific terrorist attack of Sept. 11 are staggering. The airline industry is on the verge of collapse. The markets are weak and volatile. America is struggling, emotionally and financially.

The sugar industry, though, seemingly couldn't care less.

While the nation mourns, sugar farmers have been scurrying around Washington in a fervent bid to protect their own interests. And they just might prevail. The U.S. House of Representatives is expected to take up a hastily conceived farm-aid bill this week. The package includes a provision that would, with a few minor tweaks, continue to cost American consumers nearly $2 billion a year in added food costs, accordingly to a recent government analysis.

In a time of plenty, those demands could be considered arrogant. But in this time of uncertainty, they are downright obscene.

For more than six decades, government leaders have coddled the sugar industry, a relationship nurtured by the millions of dollars sugar producers pump into federal campaign coffers. The industry has relied on Americans to provide them with government-inflated price guarantees, foreign-import restrictions and low-interest federal loans. Last year, sugar farmers defaulted on about $460 million worth of those loans.

Not surprisingly, though, industry executives blame everyone but themselves for their failures. The can't compete with foreign sugar producers because of foreign price supports. They're not allowed to sell their products overseas. Government forced the industry to default on the loans last year.

Woe are the sugar barons.

If trade agreements prohibit sugar from effective free-market competition, that shouldn't be remedied by a convoluted, decades-old bailout program. It should be addressed at the negotiating table.

Why, too should taxpayers continue to prop up the industry when, at the same time, they're supporting an $8 billion Everglades restoration effort? Sugar-cane production in Florida, concentrated south of Lake Okeechobee, has exploded from 50,000 acres in 1960 to approximately 500,000 acres today, thanks in part to government support of the sugar industry. Does anyone realize that polluted runoff from those farm expansion helped make the restoration necessary in the first place?

There are intriguing alternatives. Rep. Dan Miller, from Bradenton, has proposed an amendment that would wean sugar from the taxpayer teat, pump an additional $300 million into Everglades restoration and save consumers up to $500 million a year.

Ultimately, that may be the best solution.

But as the editorial below explains in further detail, far more pressing issues now demand the attention of government leaders. Sugar's needs don't even make the list.

Mr. MILLER of Florida. Mr. Chairman, this amendment, the Miller-Miller amendment, is a modest and simple reform of the sugar program. It is not the elimination of the program. In 1996, we tried to eliminate the program, missed by 5 votes then, but we kind of are reluctant in this Congress to eliminate anything, especially in the agriculture program.

So this is a modest one-cent change in sugar. That is right. We are only going to lower the price from 18 cents to 17 cents, a 5 percent reduction in the price of sugar, which amounts to a $500 million savings, according to the Congressional Budget Office, $500 million worth of savings over the next 10 years.

This is a very bipartisan bill, as my colleagues will see from the vote on this particular amendment. Even the secretaries of agriculture from three different administrations have come out in favor of this amendment. Secretary Glickman, Secretary of Agriculture under President Clinton, Secretary Clayton Yeutter under President Bush, and Secretary Jack Block under President Reagan, have all come out and said the sugar program is no longer sustainable, we need to change it, and this amendment is a good step in the right direction.

Let me briefly comment about what the sugar program is. Well, the sugar program is a Federal program where we maintain a very high price for sugar in the United States. In fact, sugar prices in the United States are two to three times world prices. That is right, we pay two to three times world prices for sugar, and what it does is it hurts consumers, it hurts jobs, it hurts the taxpayers, bad on the environment, bad on trade.

The way it works is the Federal Government tries to manage how much sugar is imported into the country, a very difficult challenge, but we have to allow some imports, and we do not grow enough in the United States. So it tries to manage trade, and here we are, the great free trading country of the world and we are managing trade for sugar. Then what it does, it loans sugar farmers money, and it kicks the sugar as a guarantee and, if they cannot get this high price for sugar, the government says we will buy it back, and we were told back in 1996 it was no cost to this program. No cost to the sugar program.

Last year the Federal Government bought $435 million worth of sugar and does not know what to do with the sugar. It is bad for the consumers as I have said. What I mean by bad for consumers is the General Accounting Office, which is the independent agency of Congress, we, division of Congress, branch of Congress, spend $400 million with the General Accounting Office to do studies for us. Their studies show it costs $1.9 billion a year. I know the other side is going to say, oh, that is not right. We spend $400 million for this agency in Congress to do these type of studies, and that is what it says, $1.9 billion.

As far as the taxpayers, they have already got this $435 million worth of sugar from last year, and they do not know what to do with it. The latest idea is they are going to have all these sugar farmers where we just bought their sugar, said if they will plow up $20,000 worth of sugar, we will give them $20,000 worth of sugar.

Explain that one to the people back in Florida that we are going to buy their sugar and then give it back to them. It makes no sense.

When it comes to jobs, we are losing jobs in this country, and I am sure my colleagues from Chicago will talk about how the candy industry is being really hurt in Chicago, whether it is a Bob Candy Company in Albany, Georgia, or the closing down of sugar plants in the city of Chicago. Mayor Daley and the city council of Chicago have come out in support of this amendment.

When it gets to the environment, we are very concerned about our Florida Everglades, and last year Congress passed an $8 billion program for restoration of the Everglades, half paid by the State of Florida and half by the Federal Government. A large part of the problem is sugar farming. In 1960 there were 50,000 acres of sugar cane grown. Now, we have 500,000 acres of sugar cane, and it keeps increasing because our program encourages overproduction of sugar.

What is included in this bill also is out of the $500 million worth of savings is a program where 300 million can be used for environmental purposes, for conservation and hopefully for the Everglades. It will be controlled by the Committee on Appropriations, but it creates a program that some of the savings can go back into conservation, and hopefully for the Everglades.

Then we talk about trade. We are one of the great free traders in the world, except for its sugar. That is the reason the Secretaries of Agriculture have been opposed to this program because they cannot go negotiate and say we want to sell more corn, we want to sell more beef, we want to sell more soybean. We cannot do that because we are always defending the sugar program. So we need to be fair on this whole trade issue.

As I said, this has got widespread support and lots of organizations are supporting it. Whether it is good government organizations or conservation groups, they are very strong in favor of this amendment.

The sugar program is an anti-free trade, anti-free market movement, and I hope my colleagues will support me on this amendment.

Mr. COMBEST. Mr. Chairman, I rise to propose a time agreement on this amendment. I ask unanimous consent that all time on this amendment be limited to 1½ hours, equally divided between a proponent and an opponent of the amendment and all amendments thereto.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. MILLER of Florida. Mr. Chairman, would that be divided?

Mr. COMBEST. It would be divided between a proponent and an opponent.

Mr. MILLER of Florida. Mr. Chairman, on our side the gentleman from California (Mr. GEORGE MILLER) and I could divide that 45 minutes that we would have?

Mr. COMBEST. In response to the gentleman from Florida's question, my next request would be a unanimous consent that half of the time for the opponent would be given to the gentleman from Texas (Mr. STENHOLM), and the gentleman from Florida (Mr. MILLER) could propose the same unanimous consent request.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBEST. Mr. Chairman, I ask unanimous consent that half of the time for the opponent be given to the gentleman from Texas (Mr. STENHOLM).

The CHAIRMAN pro tempore. Without objection, the proponent and the opponent under the unanimous consent request each will be recognized for 45 minutes. The time allocated on both sides to the proponents and opponents will be divided equally accordingly.

There was no objection.

Mr. COMBEST. Mr. Chairman, I yield 2½ minutes to the gentleman from Alabama (Mr. EVERETT).

□ 1730

Mr. EVERETT. Mr. Chairman, we are now to what I call the M&M amendment, and I rise in opposition to the M&M amendment and hope my colleagues understand what this amendment will do. It may have been dressed up a little, softened a little, and added a section on giving money to the Everglades; but the intention is the same, to destroy the domestic sugar industry.

I want to touch on two points that the proponents of this amendment will try to claim: first, we have all read about the candy manufacturers threatening to move to Mexico, they say because of the high price of sugar in the U.S.; that that is the reason they want to go. Let us be clear. That is not the reason they want to move to Mexico.

According to USDA agriculture data, wholesale refined sugar prices are actually higher in Mexico than they are here. They have been running about 3 cents per pound higher for most of the last 2 years. The real reason they are moving is that American wages are 25 times higher, at $13.46 an hour in Chicago versus 53 cents an hour in Mexico. American energy costs are five times higher, at $11 per kilowatt in Chicago versus $2.38 in Mexico. American tax burdens are at least seven times higher. American protection for workers, the environment, water and air quality are much higher than Mexico's.

Secondly, do not fall for the comparison of the U.S. price to the world market price. The so-called ''world market'' for sugar is just a dumping ground for surplus sugar from countries that subsidize sugar production and exports. The world market is distorted because of the elaborate sugar programs that exist in virtually every country that produces sugar. U.S. sugar policy has acted as a cushion against imports from the world dump market, where prices have run only about half the world average of cost of producing sugar for most of the last 2 decades.

America's sugar farmers are efficient by world standards and willing to compete on a level field against world sugar farmers, but cannot compete against foreign governments.

In closing, let me be up front. The real purpose of the M&M amendment is to drive sugar down further. They are already down nearly 30 percent since 1996, for the benefit of the grocery chains, candy manufacturers and food manufacturing corporations, who are behind the M&M amendment.

I oppose this and ask my colleagues to oppose it.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield myself 2 minutes.

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Chairman, I rise in strong support of this amendment to reform the outdated sugar program. This amendment is supported by Republicans, it is supported by Democrats, it is supported by conservatives, liberals, Easterners, Westerners and all those in between.

Three former Secretaries of the Department of Agriculture also support this amendment. In a recent letter, which I will submit for the RECORD, former Agriculture Secretaries Block, Yeutter, and Glickman say, ''The sugar program no longer serves the intended public policy goals.'' And they continue on by saying, ''The reform of the sugar program is long overdue.''

That is what this amendment does. It provides for long overdue reform. I have joined with my colleagues, the gentleman from Florida (Mr. MILLER) and the gentleman from Illinois (Mr. DAVIS), in support of this amendment. We have joined together to support the reform of the sugar program for several clear and convincing reasons.

The sugar program costs the taxpayers money. In fact, real money. In fact, a lot of money: $465 million last year alone. The sugar program costs consumers money. In fact, real money and a lot of money: $2 billion in higher prices, according to the General Accounting Office. The sugar program takes away good paying jobs from the American workers. Hundreds of jobs have been lost at the C&H sugar refinery in California in my congressional district, and thousands of candy jobs in the district of the gentleman from Illinois (Mr. DAVIS).

The sugar program concentrates its rewards on a small number of wealthy farmers. In fact, the General Accounting Office reported that the largest 1 percent of the growers get 40 percent of the sugar program's benefits. The sugar program hurts the environment. In fact, the overproduction of sugar caused by the program is one of the main factors behind the tragic pollution of the Everglades in Florida.

The Miller-Miller amendment is reasonable, and it provides the kind of reform we need. It does not end the sugar support program, but it does make the program less generous to the sugar growers and thereby makes sugar farming more of a market-based decision rather than a decision on how big the Federal subsidy will be. The effect is to control the overproduction, which has caused so many of these fiscal and environmental problems.

The Miller-Miller amendment would save taxpayers money by reducing the

direct purchases of excess sugar, putting those savings into agriculture conservation programs in desperate need of our support.

Mr. EVERETT. Mr. Chairman, I yield 3 minutes to the gentlewoman from Wyoming (Mrs. CUBIN).

Mrs. CUBIN. Mr. Chairman, I rise in opposition to this ill-thought-out amendment.

The cost of sugar included in a $1.72 bag of candy is roughly 8 cents. Candy companies actually spend more money on the wrapper than they do on the sugar that goes into the candy. So how exactly is it that the sugar producers are ripping off consumers? It is simple: they are not.

In fact, while domestic sugar prices have dropped dramatically in recent years, a 25 percent decrease since 1996, the price consumers are paying for sugar in the grocery store has increased 4 percent during that same time period. Producer prices for sugar are at a 22-year low and consumer prices for sugar are at a 20-year high. Now, why is that? Where is that money going? Well, let me tell my colleagues.

The price for raw sugar has been reduced 14.8 percent, it has been reduced 28.8 percent for wholesale sugar, at the same time the prices for sugar for cereal have increased 4.3 percent and candy at 7.7 percent. So when I hear about all of those jobs lost in the candy industry, I am sorry that that has happened; but to try to lay the blame on sugar simply does not cut the mustard.

The price of cookies has increased 8 percent, bakery products 8.5 percent, ice cream 13.7 percent. Even more telling is the fact that cereal has increased by over 4 percent, as I said earlier, and candy, cookies, and so on. So when we hear the argument of the Miller-Miller amendment that this program will equal savings to consumers, think again. It will not equal savings to consumers; it will simply hurt producers because they are the ones who continue to pay for the reductions in sugar. The reduction in current producer prices has historically stopped at the pockets of the manufacturer, with consumer prices increasing while the struggling sugar industry continues to suffer.

I have beet farmers in Wyoming. They are great stewards of the land. There is no pollution due to sugar beet farming, and these sugar beet farmers would be very ill affected. I ask all my colleagues to vote against this amendment.

Mr. Chairman, I submit for the RECORD additional information on our sugar policy:

GROCERS BOOST RETAIL SUGAR PRICE TO 20-YEAR HIGH WHILE PRODUCER PRICES FALL TO 22-YEAR LOW

The price farmers receive for their sugar—the wholesale refined sugar price—has been running at about a 22-year low for most of the past years. Have consumers seen any benefit? None. In fact, consumer prices for sugar just hit a 20-year high. The big grocery chains not only failed to pass any of their savings on lower producer prices for sugar along to consumers. They did the opposite. They chose instead to increase their retail sugar prices, and their profits.

According to USDA data, the grocery-store price of sugar rose to 44.3 cents per pound in July. That's the first time since April of 1981 that the U.S. retail price of sugar has reached 44 cents. And these grocers want this Congress to believe that knocking the producer price for sugar down even further would benefit consumers. How gullible do they think we are?

Lower producer prices for sugar mean more American beet and cane farmers go out of business and more profits for grocery chains. But the numbers irrefutably show that lower producer prices for sugar do not mean lower prices for consumers.

FOOD, CANDY MANUFACTURERS BENEFIT WHEN SUGAR PRODUCER PRICES FALL, CONSUMERS DO NOT

The previous speaker described the windfall profits grocery chains have siphoned from the pockets of American sugar farmers—farmer prices are down 29%, but consumer prices have risen since 1996. More than half the sugar we consume is in the form of products, particularly highly sweetened products such as candy, cookies, cakes, cereal and ice cream. Have the food manufacturers given consumers a break on prices for these products? Of course, not. Since 1996, cereal prices are up 4%, candy prices are up 8%; cookies, cakes, and other baked goods up 8%; ice cream, up 14%. All this while the price they pay for their sugar is down by 29%. The food manufacturers, like the grocery chains, want to keep sugar farmers' prices down, so they can keep their corporate profit margins up.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentlewoman from Hawaii (Mrs. MINK).

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman from Texas for yielding me this time.

I rise against the M&M amendment and ask my colleagues to vote against it. I am deeply disturbed by the constant attack on the sugar industry. When they attack the sugar industry, they are really attacking my working people that are out there in the fields planting the cane and harvesting it, going to the mills and reducing it to brown sugar or molasses. There are about 6,000 jobs in my State that are dependent upon this industry, and throughout the country maybe 300,000 or 400,000 individuals.

I consider this really an attack upon an industry of hardworking farmers who have struggled to survive. There was a time, only 10 years ago, when we had 13 sugar plantations in operation. They have struggled to stay alive. There is nobody making tons of money in this industry, but Hawaii has benefited in the past from these plantations that have been permitted to exist, and they have existed because there had been a strong farm program. I thank the Congress and I thank the leadership for continuing to support that concept.

Somehow or other there is a myth out there that there is a huge subsidy for sugar in this bill or anywhere. There is no subsidy. In fact, there is explicit language in the bill that says, and it directs the Secretary of Agriculture to operate the sugar program at no cost to the American taxpayer. So what are we talking about? We are talking about the candy factories and people in the international marketing combine.

And, incidentally, the three former Secretaries of Agriculture that distributed a letter are all lobbyists for mega industries that are selling candy, Nabisco and Nestles and whatever. So we have to look critically at this letter.

This is about farmers. Hardworking people. There is no subsidy. In fact, there is a provision in this bill that says it should have no cost to the American taxpayer. So where is the conflict? There is none. It seems to me that we are generally for the people who produce an essential commodity for our American market, so we should not be considering this kind of destructive amendment which would kill our industry and destroy the only two that remain now in my State. Two struggling plantations.

If this amendment should pass, we will be wiped out, and 6,000 workers in my State will be out of work. Already my State has been decimated after September 11 because of what happened and the closing down of the tourist industry. We simply cannot tolerate this. So I ask my colleagues to balance the equities today. It does not cost the taxpayers a dime. There is no subsidy. This is a genuine farm product that we are producing.

Kill the M&M amendment.

Mr. Chairman, I rise to speak against the amendment offered by Representative DAN MILLER and Representative GEORGE MILLER and ask that my colleagues vote against it.

I am deeply disturbed by the determination of the amendment's sponsors to destroy our nation's sugar industry. I shudder to think of the impact that this amendment would have on my state's economy. Hawaii has already been hit very hard by the tragedy of September 11th. In the past 2 weeks, some 6,000 workers have been added to our State's unemployment lines because of the dramatic decline in the number of visitors coming to our islands.

I must admit that I take this attack on the American sugar industry very personally. I do not believe that any sugar-growing area of the country has taken the hits that my rural district in Hawaii has. In 1986, 13 sugar factories were operating and sugarcane was grown on all of the four major islands. The beautiful fields of green waving sugarcane were a cherished part of our landscape. Today, only two sugar companies are still operating—one on the island of Maui and one on Kauai. The survival of these remaining companies on which the fragile rural economies of these islands depend would be severely jeopardized if Miller-Miller became law.

Ironically, Hawaii produces more sugar per acre with fewer person hours per ton of sugar produced than anywhere else in the world. But we pay our productive workers a fair wage and good benefits and we adhere to the world's highest environmental standards. Those who seek to kill America's sugar industry—and make no mistake, that is the goal

here—would export good American jobs to countries that exploit their workers and employ child labor.

I tire of engaging in this same fight year after year and having to address the misinformation promulgated by opponents of the U.S. sugar program. I deeply respect the integrity of the sponsors of this amendment, but I am puzzled by their relentless vendetta against American sugar farmers.

I have read letters in support of the Miller-Miller amendment which lead me to believe that the sponsors truly do not understand the issue. One of the letters claims that

''Jobs are being lost by the thousands as candy makers, bakeries, sugar cane refiners, cranberry farmers and jobs that depend on these industries are lost because the rest of the world pays 7 cents per pound for sugar while American businesses are forced to pay prices at least 150% higher.''

This is simply untrue! Opponents of the U.S. sugar program point to the cost of American-grown sugar compared with the so-called ''world price'' of sugar. But this ''world price'' sugar represents a mere 20% of the worldwide sugar traded and sold. This 20% is offered at dump market prices that are barely half the actual cost of production. Nations that sell this dump sugar can only do so because the bulk of their production is being purchased at prices that cover or exceed actual production costs. For example, growers in the European Union receive 31¢ per pound compared with the 18¢-22¢ price floor for American sugarcane and sugar beet growers provided by H.R. 2646.

No one—not even countries that use child labor—can product raw sugar for 7¢ a pound. The ''world price'' dump market represents the subsidized surpluses that countries dump on the world market for whatever price the surplus sugar will bring.

Two-thirds of the world's sugar is produced at a higher cost than in the United States, even though American producers adhere to the world's highest government standards and costs for labor and environmental protections. U.S. beet sugar producers are the most efficient beet sugar producers in the world, and American sugarcane producers rank 28th lowest cost among 62 countries—almost all of which are developing countries with deplorable labor and environmental practices.

So clearly, the ''rest of the world'' is not paying 7¢ per pound for sugar—many are paying far more than Americans. In fact, the retail cost of sugar in the United States is 20% below the average paid in other developed countries. U.S. sugar is about the most affordable in the world—third lowest in the world in terms of minutes of work (1.9 minutes) to buy one pound of sugar.

We are told that jobs are being lost because manufacturers of candy and baked goods will move to Mexico for cheaper sugar. I am sorry if any of my colleagues have been sincerely taken in by this claim, but it too is utterly false. In fact, the wholesale price that manufacturers pay for sugar is higher in Mexico than in the Unites States. Businesses are moving south for cheaper labor, cheaper energy, lower taxes, and lower or nonexistent environmental standards—not for cheaper sugar.

Many claim that their opposition to the U.S. sugar program is based on a concern for consumers who would benefit from lower prices. Now, I read all the mail that comes from my constituents and I must admit that I do not remember a single letter from a constituent who was concerned about the impact of sugar prices on their family's budget. Sugar in America is so cheap that it is given away in restaurants—it only costs 43¢ a pound retail! Give me a break!

U.S. producer prices for sugar have been down nearly 30% since 1996, a financial disaster for thousands of American sugar farmers. But grocers and food manufacturers—the principal supporters of the Miller-Miller amendment—have passed none of these lower prices along to consumers. Retail prices for sugar, candy, ice cream, and other sweetened products are up, not down, though producer prices have fallen significantly over the past five years.

The deeply flawed study by the GAO has been thoroughly discredited by the USDA. Economists at the USDA have ''serious concerns'' about the GAO report, which ''suffers in a number of regards relative to both the analytical approach and . . . the resulting conclusions.'' USDA concluded: ''GAO has not attempted to realistically model the U.S. sugar industry. The validity of the results are, therefore, suspect and should not be quoted authoritatively.'' As with the 1993 version of this report, the GAO assumes that food retailers and manufacturers would pass every cent of savings along to consumers—we have convincing evidence that this has not happened, nor will it ever.

Why is the sugar industry being singled out? According to USDA, last year was the only year in which U.S. sugar policy was not a revenue raiser. And this one-time outlay will be defrayed or possibly eliminated when the government sells its surplus sugar. The remaining two sugar companies in Hawaii provide some of the best jobs on these islands. These longtime ''kama'aina'' companies are struggling to keep this historic industry alive. Sugar has been grown on many of these lands for more than 100 years.

Do not be concerned about the cost of the sugar program in this bill. H.R. 2646 contains language that directs the Secretary of Agriculture to operate the sugar program at no cost to the American taxpayer.

I was frankly astonished to read the poorly written, inaccurate letter signed by 3 former Secretaries of Agriculture. The Miller-Miller proponents have obviously confused the former Secretaries on a number of issues. They claim that Miller-Miller reduces price supports by a modest amount—in fact, it effectively reduces the support price by 3 cents—from 18 cents to 15 cents. Let's remember that the loan rate has been frozen at 18 cents for the past 16 years! In any other crop we'd be looking at an increase—not a reduction.

The former Secretaries say the sugar program is ''costly to taxpayers'' but sugar is the only commodity program in the new Farm Bill designed to run at no cost to taxpayers. The Miller-Miller amendment would remove the supply management tools that would enable the Secretary of Agriculture to operate the program at no cost—Miller-Miller would make sugar policy costly to taxpayers.

The U.S. sugar and corn sweetener producing industry accounts, directly and indirectly, for an estimated 420,000 American jobs in 42 states and for more than $26 billion per year in economic activity.

I urge my colleagues to reject the Miller-Miller amendment and to support America's efficient and hard-working sugar farmers.

Mr. MILLER of Florida. Mr. Chairman, I yield myself such time as I may consume to mention that while my colleague from Hawaii brings up the fact there is no net cost, that is not what we were told back in 1996. Last year, the Federal Government bought $435 million worth of sugar. They have no use for it. They cannot even give it to Afghanistan, let alone give it away in this country. And we are paying millions of dollars to store that 750,000 tons of sugar. So it does cost real dollars.

Mr. Chairman, I yield 4 minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise today in support of the Miller-Miller amendment to reform the U.S. sugar program. Over the next 2 months, millions of Americans will go to their neighborhood grocery stores to do some food shopping. Very few, if any, of our citizens will realize that the sugar in the processed foods, cereal, and ice cream they buy is subject to a cost about double the world price, courtesy of the U.S. Congress and the sugar program.

Some of these grocery shoppers may head over to the candy cane aisle, particularly as we get closer to the Christmas season. However, once again, very few will know that Bob's Candies of Albany, Georgia, the Nation's largest candy cane manufacturer, had to ship some of its manufacturing jobs out of the country, to Jamaica, so it could buy sugar that was 50 percent cheaper than in the United States. They do not know that the president of Bob's Candies, Mr. Greg McCormick, stated that reforming the U.S. sugar company would allow his company to keep those same jobs in America and allow the retail price of his candy canes to be lowered by 10 to 15 cents a package.

As our citizens walk up to the cash register at this grocery store to pay their food bill, they will not realize the sugar program is costing American consumers nearly $2 billion a year in added food costs, according to the General Accounting Office. As they pull the dollars out of their wallet, they will not realize that last year our Federal Government had to spend 465 million taxpayer dollars from the U.S. treasury to buy surplus domestic sugar and keep the price artificially high.

□ 1745

Well, while very few Americans may realize these facts, there are several well-respected watchdog groups who are aware of the problem. For example, Citizens Against Government Waste, Americans for Tax Reform, and the Heritage Foundation all oppose the sugar program.

The sugar program has also caught the attention of well-respected environmental groups such as the National

Audubon Society and the Everglades Trust. These groups know that sugar cane in the Everglades agricultural area has exploded from 50,000 acres in 1960 to nearly 500,000 acres today, thanks in part to the U.S. sugar program.

If these facts are true, and they are, why do we have the sugar program? Are these sugar growers bad people? Absolutely not. They are hardworking Americans. They pay taxes. They create thousands of jobs. They are now applying fertilizer to their crops in a very environmentally friendly manner, and they are frustrated that foreign markets are closed to them.

In light of these trade barriers erected by certain foreign countries, our domestic sugar growers feel they need this complicated system of price supports, import restrictions, and loan guarantees to continue in order to thrive.

Well, I agree 100 percent that our country should do everything in its power when negotiating these trade agreements to open up foreign markets for our domestic sugar, citrus, and vegetable growers. These concerns should be addressed head-on at the negotiating table by the Bush administration.

Until that happens, I believe that the Miller-Miller amendment strikes the appropriate balance between consumers and sugar growers because it mends, but does not end, the U.S. sugar program. Under this amendment, the price support is lowered one penny, from 18 cents to 17 cents per pound. This, coupled with other reforms, will save the Federal Government $500 million over the next 10 years, according to the CBO.

Of that amount, the Miller-Miller amendment states that up to $300 million will be used to restore the Florida Everglades. For these reasons I ask my colleagues to vote ''yes'' on the Miller-Miller amendment.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, if my colleagues eat, they are involved in agriculture and they have a stake in America's oldest and most basic policy. But our sugar policy is defective, counterproductive, and is suffocating our economy. The media has characterized it correctly as being a scandal.

I am proud of the fact that I come from the State of Illinois, an agricultural powerhouse. I was raised on a small farm in Arkansas, and so I grew up enjoying the values of rural life. And I know what it means for a family to survive on hard work, ingenuity, creativity, and the sweat of their brow.

I support Federal programs which create decent, livable help so that farmers can live a decent life. But when I find a program like the sugar program where 1 percent of the farms, just 17 farms, 1 percent, collect 58 percent of the subsidy, I am outraged. I am outraged because what it means is that the pot has already been sweetened for the wealthy, for the few.

Mr. Chairman, subsidies should be given to the needy, not the greedy. The fallout from this wrong-headed sugar subsidy program ripples across our entire economy. I represent what could be called the candy capital of America. Illinois has 31,000 individuals employed in the confectionery industry, but we have lost 11 percent of our workforce, and there has been no new plant development since the institution of this program. We spent over $250 million for sugar last year. Had this program not been in effect, we would have spent probably only half that much, while the giant corporate agricultural combines who benefit the most from the sugar subsidies are not only taking our money, but in some instances they are causing pollution in certain parts of the country.

Mr. Chairman, it is time for change. It is time for America to stop playing sugar daddy to a handful of monopolistic sugar plantations. The Miller-Miller amendment brings some rationality and fairness to the industry. The Miller-Miller amendment will protect family farms, protect jobs in the sugar and confectionery industry and protect our environment.

We cannot allow ourselves to get sugar-daddied out and sweetened into bad policies. I would urge every Member who believes in fairness, who believes that small farmers should have help and assistance, I would urge them to support the Miller-Miller amendment and do not be a marshmallow and get suckered in.

Mr. EVERETT. Mr. Chairman, I yield 2½ minutes to the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Chairman, I appreciate the efforts of the gentleman from Florida (Mr. MILLER) and the gentleman from California (Mr. GEORGE MILLER). I appreciate the importance of the Everglades; however, I oppose the amendment.

Sugar policy, contrary to what Members have been hearing, has been one of the most successful farm programs from 1991 to 2002. It has been the most successful. We have heard about $465 million in payment, that was for 1 year. That was the year 2000. Every other year, 11 out of 12 years, the sugar industry has paid the Federal Government more than it has gotten back, but we are labeling this as a boondoggle.

I would like to also point out, as my colleagues have said, sugar prices have fallen 30 percent since 1996. This has been primarily due to dumping of sugar by Mexico since NAFTA was formed.

In my State, the State of Nebraska, we have seen the fallout. Currently there have been 17 sugar factories that have closed in the last 4 or 5 years which represents roughly 40 percent of all of the factories in the country, in the United States. We currently have 750 producers in the State of Nebraska. In order to open their sugar factory, in order to survive, they have had to go together and form a cooperative and pay $185 to $220 per acre in order to keep this thing going. They are trying to save the sugar beet industry in Nebraska, in Montana, in Idaho, in Wyoming.

Mr. Chairman, I ask to have it explained to me why producers in those States need to be taxed 2 cents a pound on sugar additionally, and also have their loan rate reduced below the cost of production, in order to pay for renovation of the Everglades?

We just went through a big debate where 10 or 12 or 15 States were possibly getting a disproportionate amount of commodities; and now we are talking about laying the wood to, to coin a term, to a group of States that have nothing to do with the Everglades to pay for the Everglades. This has already been taken care of. The 1994 Everglades Forever Act provided $685 million, and the 2000 Comprehensive Everglades Restoration Plan also addresses this problem.

Mr. STENHOLM. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Chairman, I oppose this amendment, and I support the bill.

Government's primary function is to protect the people. A stable domestic food supply is as important to national defense as a military weapon. Because of a national farm policy, and we all know this and all Members have to do is look around the country and the world, American consumers spend less than 11 percent of their income on food.

If Members believe this amendment will reduce the cost of products containing sugar, they need to listen to these facts. Between 1990 and 2000, the price of raw sugar fell 18 percent; wholesale refined sugar fell nearly 31 percent; but during that same period of time the consumer price of cereal, candy, ice cream, and bakery products increased by 25 to 36 percent.

Few of us remember the rationing of basic foodstuffs in World War II. In addition to steel and rubber, sugar was rationed. Why? Because it is essential to a balanced diet, and domestic sources were limited. Even today, domestic sugar product is not enough to meet our domestic demand.

If Congress passes this amendment, the domestic sugar industry will be devastated and American consumers will have to depend on uncertain foreign sources, which by the way, subsidizes their sugar program. But as we are also talking about the economy and stimulus packages around here and with unemployment going up, let me make this point. There are over 40,000 workers that are involved in this industry. These are machinists. These are people making $35,000 to $40,000 with health care insurance.

If Members wonder why I am supporting this amendment, those are three or four good reasons. I support a

strong domestic food production industry because it helps our economy and it protects our people.

Mr. Chairman, if Members truly believe in buying American and made in America, Members need to reject this amendment.

Mr. MILLER of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. KIRK).

(Mr. KIRK asked and was given permission to revise and extend his remarks.)

Mr. KIRK. Mr. Chairman, after the September 11 attack, our economy was weakened and our military expenses have gone up. This is not the time to levy a $1.8 billion indirect tax on American consumers to charge a Stalinist high sugar price set by bureaucrats in Washington.

This program also costs over $400 million in taxpayer funds to overproduce sugar. These funds should go directly to our men and women in uniform, for the reconstruction of New York, and for securing Social Security, not politically connected sugar growers lobbying the government for a government handout in time of war. To these sugar growers we should say we cannot afford to give a government handout, there is a war on.

Mayor Daley of Chicago wrote to me with concerns for the jobs of 31,000 workers in Illinois threatened by the sugar program. These jobs are in many disadvantaged communities like North Chicago, Illinois, my State's second poorest community; and the legendary Brach's Candy Company, a Chicago institution, recently shut its doors for good, moving 1,100 jobs overseas due to high production costs caused by this sugar program.

The simple fact is: as a result of this program, foreign candy sales have gone up over 70 percent in the last 5 years and could reach 40 percent of total sales within the next 5 years. Companies such as Jelly Belly of North Chicago and Craft of Glenview will suffer the same fate as Brach's if we do not reform this program.

We cannot sit idly by while thousands of people lose their jobs so that sugar growers can reach into the taxpayer's pocket for yet another handout. These subsidies cannibalize our economy and segregate us into economic winners and losers.

The Miller-Miller sugar reform amendment is different from past reform amendments which would have ended the sugar subsidy program. This amendment will reform, not eliminate the program; and it will make it more market oriented, bringing it in line with the administration's principle that we should move away from price supports towards our core belief in free and open markets.

The sugar subsidy program cost the taxpayers $465 million last year, and now costs the government $1 million a month just to store excess sugar. We cannot sit by while thousands of our constituents lose their jobs because politically connected growers raid the treasury and millions of tons of sugar rots away in storage.

Mr. Chairman, please join me in voting against this outdated, unfair subsidy that pits American's economic interests against each other and against the principles of free enterprise.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Chairman, today I rise in support of the Miller-Miller sugar amendment. The U.S. sugar program is in critical need of reform. Unlike most farm programs, the U.S. sugar program has avoided any market-oriented reform for many years. Artificially high price supports have distorted the markets leading to expanded domestic production and oversupply of the U.S. market.

Approximately 50 percent of government payments go to the largest 8 percent of farms, usually corporate owned. A little more than half of all U.S. farmers share in only 13 percent of the government payments. The artificially stimulated domestic price of sugar is often twice the world price. This hurts the American consumers who are forced to pay substantially more for sugar and sugar-containing products.

□ 1800

Although we do not have a sugar cane crop of any size in Missouri, we do have corn growers who produce a substantial amount of sweeteners. The Missouri corn growers do not create the environmental concerns as do the cane growers and they also make outstanding contributions to our alternative fuels industries and associated research. We will have to find common ground on effecting remedies for the problem.

The Miller-Miller amendment does not gut or eliminate the sugar program. The amendment reduces the sugar price support rate and current incentives for overproduction. The amendment increases the penalties that big sugar processing plants must pay if they fail to repay government loans. It would make some modest reforms to make the program more market-oriented, and at the same time, promote conservation. I am in favor of most conservation aspects of the bill.

Mr. Chairman, I must admit that I am troubled that the bill shows no concern for fiscal constraint. Most of us promised voters that we would protect the Social Security trust fund and Medicare funds.

Let us vote for the Miller-Miller amendment. Let us refrain from passing several of the budget-busting programs without consideration of the overall budget. We need a farm bill that is responsible, and we need a bill in a form that we can vote for. I cannot vote for this bill in this form.

Mr. EVERETT. Mr. Chairman, I yield 1½ minutes to the gentleman from Montana (Mr. REHBERG).

Mr. REHBERG. Mr. Chairman, I rise in opposition to the Miller-Miller amendment. I cannot debate the issue with my colleagues from the urban areas on subsidization because they obviously do not understand the sugar program. It is not subsidized. Read my lips. It is not subsidized.

What we have in this country is a problem. We have an oversupply of foreign sugar being brought into the country. That is the problem we have got. Prices are down but demand is up. So what creates the prices being down? The subsidization of foreign sugar. When you talk about these rich corporations, they are so rich they are filing bankruptcy. Does that not tell you a lot?

When was the last time a rich corporation making all this money in a farm program would file bankruptcy? Now we have a situation in Montana where finally some of the producers are trying to pull themselves up by their bootstraps, buy those factories, reopen them under a value-added idea, and we are going to kick them. We are going to say, ''No, we're sorry, that's just not good enough. We not only don't want you to be in business, we're going to now consider additional trade promotion authority so we can bring more subsidized product in to put the rest of you out of business.''

I am a supporter of free trade, but I am here to tell you right now, after reading the documents that have been floating around from the administration, Mr. President and your administration, if you are listening, you are rapidly losing me, because I do not get it. We do not have an oversupply of sugar in this country. What we now have is an oversupply of foreign competition that do not respect our labor laws, do not respect our environment and do not respect American agriculture.

Mr. STENHOLM. Mr. Chairman, I yield 2½ minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to compliment the gentleman from Montana on his eloquence. I also want to let him know, however, that this is one Member from an urban area that understands that there is no subsidy in this program. And let me be clear about that and if there are Members from the urban cities and suburbs that think there is, there is not a cash subsidy here. That is a misrepresentation.

But I suggest, Mr. Chairman, that this amendment offers us a really easy choice. Do we really want sugar grown by American farmers? Do we really? Because if we do not, then vote for this amendment, because its import will effectively put out of business farmers dealing in sugar in this country. Understand that and be clear about it.

Now, some argue that this amendment would produce savings for consumers. Well, let me suggest, do not hold your breath. Okay? Do you really believe a Milky Way bar or a can of Pepsi is going to go down in price? Give

me a break. The hard empirical evidence establishes clearly that none of the savings on cheap, subsidized, foreign sugar will be passed along to consumers. And neither will increased wages for the workers in my friend from Illinois' district. Be assured of that. Be assured of that.

So if you support American farmers, if you are concerned about environmental standards and want to protect American jobs, then vote against this amendment and support the committee's sugar provision in the farm bill. It is an easy choice.

Mr. Chairman, make my sugar American. Oppose the Miller-Miller amendment.

Mr. MILLER of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Chairman, I rise in strong support of the Miller-Miller amendment. I must say that I oppose this entire bill. I think it is subsidy run amuck. I did not come here to Congress to reward this industry or another or pit one industry against another, and I think that that is what we are doing in this farm bill. It is a chicken-in-every-pot syndrome. We criticize every other country in the world for doing this and then we embrace it ourselves.

This is one element of sanity in a very bad bill. I would encourage my colleagues to support it.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 4 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I rise in strong support of this amendment. I am only sorry that it is not cosponsored in addition by our friend, the gentleman from California (Mr. GARY MILLER) so it could be the Miller sugar cube.

This program is one example where we are led to believe that it is not a problem of subsidization that ends up distorting our markets, disadvantaging consumers and posing great risks to the environment. This year, the bizarre system that artificially raises the price of sugar in the United States, puts import restrictions on the commodity while at the same time paying farmers to plow over their crop and allowing the sugar producers to pay back their loans with sugar is not subsidization, not dealing with the market, I beg to differ.

I would suggest that any econ student 101 armed with the basic information from the GAO reports could argue persuasively to the contrary. And all of this for a crop that wreaks havoc on the environment, especially in the Florida Everglades.

We have heard that there is a disproportionately few number of people who benefit from this program, and of those the majority are large scale farmers and producers. We have heard that 40 percent of the benefits go to 1 percent of the growers, precious little getting to the small family farm, and they continue to go out of business every year. We must reassess the myth that somehow this subsidy to corporate sugar producers is paid for by magic and that there is no risk to the consumer or the taxpayer.

As my friend the gentleman from Florida (Mr. MILLER) pointed out, we heard that before in 1996. The sugar subsidy we are talking about here costs American consumers almost $2 billion a year. And that has no effect on the economy? I beg to differ. I would think that some of my free market friends would be laughed out of the room if they suggested it in other areas.

In addition to costing the taxpayer, inflating the cost to two or sometimes three times the world price, we are, as we have heard, losing American jobs now, not theoretically, but because it is cheaper to move the production overseas while the American public is paying a million dollars a month just to store the excess sugar right now.

As we move into a more globalized economy, we should not be supporting a backward program that makes it difficult for us to meet the demands of our agreements with the World Trade Organization and NAFTA. We have heard people here on this floor call for fairness, and then we turn around and do something that is goofy.

But I oppose this not just because of the cycle of subsidization, the limitation on free trade and the stockpiling, my particular interest has to do with the environment. We have been involved in Congress here trying to repair decades of damage to the Everglades. The sugar program has expanded sugar cane production in Florida. What was it in 1960? 50,000 acres. What is it today? Almost 500,000 acres, severely harming the natural environment of southern Florida, while we in this Chamber invested $8 billion as a down payment to restore the damage, and we are still subsidizing an industry that is polluting it with the phosphorous-laden agricultural runoff.

I would strongly suggest that we break this vicious cycle. The amendment before us would reduce the damage the sugar program does to the environment, to our international trade agreements and to the consumer pocketbook. It would reduce price supports, government quotas, and bring a greater market orientation to the program, not abolishing it. It would authorize up to $300 million in savings from the amendment to go towards conservation and environmental stewardship, which are a priority to all of us because the Everglades problem is a national problem.

This is where our priorities need to be, supporting our natural ecosystems, saving the public money, not monkeying around with the market. I urge its adoption.

Mr. EVERETT. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas (Mr. COMBEST), the chairman of the full committee.

Mr. COMBEST. I thank the gentleman for yielding time.

Mr. Chairman, I rise in opposition to the Miller-Miller amendment. It kicks the sugar farmers when they are down. It is interesting that since 1996, prices of sugar are down nearly 30 percent. It is also, if you look at it among the comparative in the world, it is among the most affordable in the world, 20 percent below the developed country average and essentially unchanged since 1990.

Who benefits when prices are down? It is certainly not the consumer. And who suffers? It is certainly the farmer. In reality, history shows inarguably that users of sugar do not pass their savings on for sugar and other ingredients to the consumer. Lower commodity prices are just an opportunity for higher profits at the expense of the farmer. As evidence, retail prices for sugar, candy, ice cream and other sweetened products are up, not down, though the prices that are received by the farmer are substantially down over the last 5 years.

This is an amendment that would have tremendous implications to the farmer. It does nothing to help the consumer in terms of lower prices for commodities. I would urge my colleagues to oppose the amendment.

Mr. STENHOLM. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan (Mr. BARCIA).

Mr. BARCIA. Mr. Chairman, I rise today to voice my strong opposition to the Miller-Miller amendment. This amendment is bad public policy for two simple reasons. First, it would have a devastating effect on sugar producers, not only in my district, but in districts across 42 other States as well. These producers generate 370,000 jobs and have an annual impact of $26 billion per year on the national economy.

Second, it hurts consumers, because without our current sugar policy, prices for this important commodity would skyrocket. Sugar is an essential, even strategic ingredient in our Nation's food system, yet we are the fourth largest importer of sugar in the world. Our family farmers who grow sugar are globally competitive but cannot compete against foreign treasuries and predatory trade practices. Maintaining a reliable supply of sugar at competitive prices for consumers, responding to unfair foreign trade practices and letting farmers receive their income from the market and not the government is at the heart of U.S. sugar policy.

Sugar prices have plummeted over the past 2 years and family farmers are facing a monumental challenge: Buy the factories that process your beets or go out of business. Almost half of the remaining sugar beet factories in the United States are currently for sale to the farmers who grow sugar beets. In fact, producers in my district are pooling their resources to buy the Michigan Sugar Company. The producers in my district need all the help and advantages we can give them.

Today, we have an opportunity to ensure our farmers global competitiveness. Given the depressed sugar market and the overall agricultural economy, it is almost impossible for America's family farmers and rural bankers to take the next step and form farmer-owned cooperatives.

□ 1815

Mr. MILLER of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ROYCE), a classmate from the 103rd Congress.

Mr. ROYCE. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I guess the bottom line is that last year the U.S. Treasury spent a total of $465 million buying sugar and then spent another $1.4 million a month, a month, to store the 1 million tons of surplus sugar produced. In other words, the Government basically encourages growers to overproduce excess sugar, and then purchases this back at the expense partly of the American taxpayer.

The General Accounting Office estimates that consumers and users pay an extra $1.9 billion annually in what can be called a hidden tax because of the sugar program. So every time an American buys a candy bar or a carton of ice cream or anything that is not sugar-free, basically they are affected by this policy.

Now, if we go back to the 1996 Freedom to Farm Act, as I understood the act, what it was supposed to do was to be just that, the freedom to farm. It was meant to gradually decline payments so farmers could wean themselves from the Government's micromanagement and send them on a path toward free markets. But the Federal Government continues basically through this arrangement to subsidize sugar producers by maintaining higher prices than the prices would be.

The sugar program keeps U.S. sugar prices more than twice as high as the world market, and the Government's involvement, arguably, has helped force the three-quarters of U.S. sugar refineries that have gone out of business to close down. So we have had three-quarters of the refineries close down the last few years. Basically, those refineries have been moved offshore, so thousands of jobs have been lost in that sector.

The Miller-Miller amendment, this amendment, rejects government quotas on marketing; it reduces price supports and brings greater market orientation to U.S. sugar policy. That is why I support the amendment. I think it moves us away from corporate welfare.

Mr. Chairman, I urge my colleagues to support the amendment.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. RUSH).

(Mr. RUSH asked and was given permission to revise and extend his remarks.)

Mr. RUSH. Mr. Chairman, today I rise in support of the Miller-Miller, or M&M, amendment, to scale back the sugar price support provisions of the Farm Security Act. In a year in which we have seen major reductions in taxes to spur our ailing economy, it is only fitting that we scale back the sugar program.

Clearly the sugar program is a tax. It artificially raises the price of sugar on consumers, small businesses, and the confectionery industry. The GAO estimates that the sugar tax costs consumers $1.8 billion annually. Whether you live in the suburbs, the countryside or in a major metropolitan area, you pay a higher price for this basic commodity. Unfortunately, because this tax is regressive, the burden of the sugar program disproportionately impacts the poor.

The sugar tax also hurts small businesses, such as mom and pop grocery stores and small bakeries. Unfortunately, many of these corner stores, which serve small urban towns and inner-city neighborhoods, must pass the cost of high sugar prices on to consumers.

Finally, large U.S. businesses have been hurt by the sugar tax. The confectionery industry has been placed at a competitive disadvantage because foreign competitors have access to cheaper sugar. Many of these industries are being forced to consider relocating abroad to remain competitive. In Chicago alone, employment in the confectionery sector is down by 11 percent.

However, the sugar tax is a national problem. As many as 293,000 workers in 20 States depend on the confectionery industry for their livelihood. The sugar tax must be scaled back to help U.S. consumers, small businesses and industry.

We are not asking for a repeal of the sugar program, but merely a fair and equitable reduction in some of its most onerous provisions. The M&M amendment continues to protect sugar growers without unduly burdening U.S. consumers and businesses.

To the opponents of this amendment, I say to you that your words are strong, but your conclusion is wrong. Scale back the sugar price cost provision.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The Chair would advise Members that the gentleman from Florida (Mr. MILLER) has 12½ minutes remaining; the gentleman from Alabama (Mr. EVERETT) has 12 minutes remaining; the gentleman from Texas (Mr. STENHOLM) has 13 minutes remaining; and the gentleman from Illinois (Mr. DAVIS) has 7 minutes remaining.

Mr. EVERETT. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY of Minnesota. Mr. Chairman, I am a free-trader, a fair-trader, an original cosponsor of the bill to grant the President Trade Promotion Authority, and I am a strong supporter of markets, if efficient markets exist. But our hard-working sugar producers are amongst the most cost efficient in the world. In fact, our sugar beet growers, including over 600 growers in my district in Southwest Minnesota, are among the lowest-cost producers of sugar in the world. They are willing to compete on a level playing field, but cannot compete against foreign governments that encourage excess production and dump that excess production on the world market. The world dump market price is well below the world cost to produce sugar and is not sustainable.

We do need to continue to push for fair trade in sugar. With a level playing field, I am confident that our sugar producers cannot only compete, but they can prosper. But if we sacrifice our sugar farmers now and become ourselves dependent on a dump market price, we will become dependent on foreign producers. If they stop subsidizing those foreign producers, we are going to be paying higher prices for sugar than we are today.

Let us not abandon an efficient, cost-effective industry that is providing jobs and incomes for our rural areas. I encourage Members to oppose the Miller-Miller amendment.

Mr. STENHOLM. Mr. Chairman, I yield 2½ minutes to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Chairman, I thank the ranking member for yielding me time.

Mr. Chairman, I would like to ask this body, are there any Members here who know more about this farm bill than the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM)? The answer is no. And both of them oppose this particular measure.

The sugar industry supports 420,000 jobs in America. I do not know of any candy manufacturer or big food chain that has gone out of business because of the price of sugar.

I wish I could answer all of my colleagues' statements, but I cannot. Assuredly, they are dead wrong about the Everglades. I do not just fly there; I live there. The sugar industry has reduced its circumstances with reference to the Everglades by 55 percent and is ahead of the Everglades restoration schedule all the way around the board. What you need to know is, among other things, the sugar industry has contributed $279 million towards paying off the national debt since 1991. No other commodity has done that.

I personally am just tired of the misinformation that I continue to hear. I understand Members' parochial concerns. That is what I have. The gentleman from Florida (Mr. FOLEY) and I represent 75 percent of the sugar cane growing that is done in the United States of America. But I can tell you this, I have checked a little bit around the world. Our nearest neighbor, our biggest, nearest neighbor, Mexico, Mexico's sugar costs 3 cents more today than in America.

I do not understand whether or not these people have traveled anywhere in

this world or not, but there is a basic economic principle: find a void and fill it. That is what other sugar producing countries are waiting for. Kill the sugar industry, if you will, and you expect that they are just going to sit on the sidelines? Name me the product that when it went out of business in America, all of a sudden became cheaper? How about steel as an example? We are driving our industry offshore.

Now, understand this: as I said, I do not just fly there; I live there. When I drive down Highway 27 to Pahokee, I see a town choking. When I go there to Okeechobee, I have tears in my eyes at the pain that is caused because of the loss of jobs. The same holds true for Belle Glade and Clewiston. I was in Clewiston on a day when 44 people were told they did not have their jobs anymore.

Now, I want candy to exist, I want the food chain to exist, and I want the sugar program to exist; and I want all of us to do right by each other, rather than kicking each other when we are down.

Mr. MILLER of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me respond to a couple of questions that have come up in this debate. First of all, they talk about the cost of it, and they say, well, the sugar is lower here, there, it does not cost anything.

I want to refer once again to the General Accounting Office report, the GAO. We pay this agency, which is a part of Congress, $400 million a year to do studies for us. It is not a partisan organization; it is not a biased organization. It has the experts, or brings in the consultants, to come up with the best knowledge they can.

In this case it was asked, what is the cost of the sugar program? It was a very detailed report. They are the ones that came up with the $1.9 billion cost. So the program really does cost money. You say it does not cost anything.

My colleague from Florida was talking about jobs. We are concerned about jobs. But what about the candy companies that are losing jobs? Here is an article from the Nashville Business Journal about a company, Bradley Candy Corporation, on June 29 closed their doors and went out of business.

My colleague from Chicago talks about the companies in Chicago going out of business. Bob's Candy from Albany, Georgia, makes candy canes. Hard candy is the one that uses a lot of sugar. They are being driven offshore for production because the cost of sugar in something like candy canes just makes it prohibitive to compete.

Let me also make a comment about the trade issue. Many of my colleagues say they are free-traders. I am a little baffled by my colleagues that support free trade, especially if you support it in the grains and soybeans and such. We are big exporters of agricultural products. That is great.

But the problem we have with our trade negotiators is they go sit at the table to negotiate trade and say, we want to sell more corn or wheat to your country, but do not sell us any sugar. We are hurting ourselves opening up markets for the grains and other products that we do manufacture so efficiently and produce in this country so efficiently, because we have to defend sugar. That is the reason those former Agriculture Secretaries say get rid of the program; we cannot negotiate more markets for our agricultural products when the one product we have to defend is sugar.

Mr. DAVIS of Illinois. Mr. Chairman, this amendment has been characterized as the M&M amendment. M&M is a good candy. Mantle and Maris were a good team from the New York Yankees.

Mr. Chairman, it is my pleasure to yield 2 minutes to another Yankee who hits a lot of home runs, the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Chairman, it is my pleasure to be associated with the second best team in New York. It is also my pleasure to join with two-thirds of the People-Named-Miller caucus here in Congress, actually over two-thirds, because the gentleman from California (Mr. GEORGE MILLER) is a pretty big fellow.

I have to say to my colleagues, I support agriculture programs. I voted for every agriculture bill, and I believe it is very important for coalitions to be formed in this body between urban Members, who probably are only consuming agriculture product, and their rural counterparts, because it is an important part of the stream. But just as my colleagues on all sides of the aisle have demanded accountability from urban programs, I think it is fair that we demand the same accountability here.

This amendment does not seek to end the program, simply to amend the program. I have to tell Members that I do not mind the fact that is a $465 million program.

□ 1830

That, to me, is not offensive. What is offensive is the additional cost to the taxpayers that are hidden.

The gentleman from Florida just talked about the $1.9 billion annually that consumers pay for this program. That is putting aside the $1.4 million a month to store the sugar that is purchased and then held in essentially escrow to be paid back against the debts as part of this program.

But I have to say that one of the things that leads me to be so strongly in favor of the Miller and Miller amendment is the experience of the Madeline Chocolate Novelties Company in Rockaway, New York in my district. It is not a mammoth company by any stretch of the imagination. They employ about 500 people. But the reason they do not employ more people, they say, is their inability to export more of their products. They do not manufacture chocolate, they create novelty chocolate products like the kind we customarily would get at Easter and in my district at Passover. But they estimate there is about a 10 percent difference in the price of the chocolate that they buy because of this program and this program alone. They travel around to international trade shows, they contact me for help with international export programs.

The fact of the matter is this program and this program alone has meant jobs in my district.

Mr. EVERETT. Mr. Chairman, let me yield myself 10 seconds to comment on the GAO report. If we look at page 55 where they conclude the validity of the report, it says, ''The results are, therefore, suspect and should not be quoted authoritatively.''

Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. CAMP).

Mr. CAMP. Mr. Chairman, I thank the gentleman for yielding me time.

Sugar is an essential and even strategic ingredient in our Nation's food supply, yet we are the fourth largest importer of sugar in the world. The United States sugar industry is in trouble. I know firsthand because I represent thousands of family farmers and factory workers who grow and process sugar beets in Michigan. Sugar prices have plummeted over the past 2 years, and family farmers are facing a monumental challenge.

Almost half of the remaining sugar beet factories in the United States are currently for sale, for sale to the farmers who grow sugar beets. Given the depressed sugar market and the overall agricultural economy, our family farmers cannot form farmer-owned cooperatives. This is an industry that is the very backbone of the rural economy. We must not and cannot let it collapse.

The Miller amendment will end any opportunity for these farmers and factory workers to be reliable and competitive suppliers to America's consumers. The Miller amendment will cut the supply lines of an essential ingredient and deliver another economic blow to America's struggling rural economy.

Vote against the Miller amendment.

Mr. STENHOLM. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman for yielding me time. I rise in strong opposition to this amendment. It is kind of hard for me to understand why we keep having this debate every year, because there is really no reason for it.

I represent an area where, along with the gentleman from North Dakota (Mr. POMEROY), we produce the most sugar in our region of anyplace in the country. Small farmers, 200, 300 acres in sugar beets. It has been the one crop that is making us a little bit of money, although that is getting thinner and thinner every year.

One of the reasons, frankly, is because of all of the free traders that created this problem, because of these

trade agreements. If my colleagues think that this world market or this so-called price is a real price, you got another thing to consider. It is a dump price. You need to get out in some other parts of the world and find out what is going on.

I had a chance to go to Romania and they are next, of course, to Western Europe. The Europeans have a 50 percent higher price support on beets or on sugar than we do. So what happened? The World Bank went in there, Romania needed money, and they said, we will give you the money if you get rid of your agriculture subsidies. They did. Romania had 12,000 sugar beet farmers. Today they have zero. They had 36 plants; today they have 11. The Europeans own those plants and the Europeans ship every bit of sugar into Romania to be processed in those plants, and nothing is being produced in Romania.

That is what is going to happen in the United States if we pass this amendment and we get rid of the sugar program. Do not kid yourselves. This is not a level playing field, this is not a fair deal, and we will turn this industry over to other countries and put our people out of business. It makes zero sense. Defeat this amendment.

Mr. MILLER of Florida. Mr. Chairman, before I yield to the gentleman from Ohio, let me make a couple of comments, and I yield myself such time as I may consume.

The sugar program is not being eliminated. Under the Miller-Miller amendment, the sugar program will be here 10 years from today just like it is now. All we are talking about doing is lowering the price from 18 cents to 17 cents; one penny, 6 percent change. The world price, as of October 2, if we look in the Wall Street Journal or any of the financial pages, is 6½ cents. Now, I agree; that probably is a dump price, and I would not want that price in the United States. But we are only talking about 18 cents down to 17 cents.

We do have requirements and other laws on the books, and I fully support them, to keep subsidized products from coming into the United States. France subsidizes their sugar production. And we should not allow France to sell sugar to the United States, and they do not. So if there is a company that subsidizes it, we keep them out.

One of the largest sugar producers in the world is Australia. They have a free market on sugar. They sell it around the world for 6.5 cents. Of course, when they sell it to the United States, we pay them 18 cents. That is even the dumber part of the program.

So the fact is there is a dump price that I agree is like 6.5 cents, but all we are talking about is going to 17 cents.

Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. CHABOT).

Mr. CHABOT. Mr. Chairman, I rise in support of the amendment. American consumers essentially are being ripped off and the time has come for Congress to finally do something about it.

The sugar program guarantees domestic cane sugar and beet sugar producers a minimum price for sugar which, at times, during the past year was about three times the world market price. The sugar program supports domestic sugar prices by offering loans to sugar producers at a rate established by law, 18 cents per pound for raw cane sugar, 22.9 cents per pound for refined beet sugar, with sugar serving as collateral for these loans. The sugar program keeps the price of sugar artificially inflated and above the world market price.

In 1998, the General Accounting Office found that the Federal sugar program cost American consumers more than $1.9 billion, almost $2 billion, up from $500 million from the $1.4 billion inflated cost cited in a similar 1993 GAO study.

It is time for Congress to eliminate this particularly egregious form of corporate welfare for the sugar-producing industry. American consumers essentially get hit twice. Their hard-earned tax dollars are being used to fund a wasteful program, which, in turn, results in artificially higher prices of sugar and sugar products on the grocery self. Any way we look at it, it is bad business. Their tax dollars are being wasted, and then they are paying higher prices at the grocers, so they get hit twice.

Mr. Chairman, I urge support of the amendment.

Mr. DAVIS of Illinois. Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding me time.

Instead of the Buy America Act, you could call this the Buy Anything But America Act subjecting us to dumped sugar. Instead of Correct the Trade Balance Act, you could say Compound the Trade Balance Act. That is what Miller-Miller is all about. It takes the one commodity where we actually consume more than we grow and wants to throw it open to world-dumped sugar shorting our markets.

Instead of a stimulus package, you could call this amendment the recession package, because it would surely bring recession to those areas producing sugar. That is 420,000 U.S. jobs, contributing $26.2 billion in the economy.

They call it a consumer bill; actually, it is a candy bar manufacturing bill. We have seen a 30 percent drop in the price for refined beet sugar. Have you seen cheaper candy bars? Absolutely not. This is about candy bar manufacturer profit line, not about a deal for consumers.

We have a program that works. We have a program that has available sugar at below the price available in the developed countries. We have price stability for this essential component for groceries. We need to keep the sugar program and defeat the Miller-Miller amendment.

Mr. EVERETT. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I would say, a penny for your thoughts. It seems like this program, this one commodity is always singled out on this House floor as some egregious program.

Now, if we tied the Miller-Miller amendment to the price of candy and forced them to reduce their prices for every penny we reduce the sugar product, then maybe I would understand there is a rationale behind this argument.

Now, I associate myself with the words of the gentleman from Florida (Mr. HASTINGS), my good friend, who talks about families in his district. Now, some use this program and attack certain families that may be successful and they hold them up as examples of corporate waste. Well, folks, we can use that in almost anything we do on this House floor: single out one individual and say that is the bad actor or the bad apple. We ignore the fact that there are thousands of people in my district.

Now, I know when you hear MARK FOLEY'S name, you think of Palm Beach and Worth Avenue. But let me take you to Belle Glade, Clewiston, Pahokee, Canal Point, where people get up every morning and go to the farms and work hard 5, 6 in the morning to harvest a crop that is difficult and is burdensome, but they bring it to market. Then all of a sudden they turn on their TV set to the government that they pay taxes for and to and hear people demeaning their way of life, their product that they produce, and act like somehow, we have some communistic cartel operating under the auspices of the Federal Government.

Now, I take exception. I invite you to come to my communities; and I invite you to meet the farmers, those individual farmers who farm 100 acres, 50 acres, 20 acres, to try to make a living for themselves and their families.

Please defeat this amendment and let us get this over with. We have done this for 7 years, and 7 years we have beaten them back. Help us do it again.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Chairman, I thank the gentleman for yielding me time.

Look, this is our annual fight. We are all used to it. It is a fight between special interests, on one side the candy manufacturers, and on the other side the farmers of America and the countries that we support in other parts of the world. I think when one has a choice, go with the farmers. They are the ones that are farming the land and harvesting the product. In fact, when we buy the sugar at our price, we are also helping, our neighboring countries; we are helping the people of El Salvador who suffered from Hurricane

Mitch. We are helping the other Central American countries, and our friends in the Caribbean, because we pay a much better price than the world market, and we allow these countries then to get a better sugar price and pass that on to their workers. We also help some African nations by importing their sugar.

If you vote against this amendment, you are not only helping the farmers of America, you are helping the foreign farmers that our foreign aid programs are also trying to help in a much better way than just doling out money.

This is an amendment that we argue against every year, and it should be continually defeated.

Mr. EVERETT. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman for yielding. Mark Twain said there are lies, there are damn lines, and then there are statistics. It has been interesting to listen to the debate. We have heard a lot of statistics, and I am going to share some of my own. I am one of the few Members that serves on both the Committee on Agriculture as well as the Committee on the Budget. We have heard this term ''subsidy'' thrown around so freely here tonight as we talk the sugar program.

I would like to just read from the Economic Research Service put out by the USDA, their latest report, the Agriculture Outlook, September 2001. This is what the sugar program costs in 1993. We had a net profit to the Federal taxpayers of $35 million. In 1994, we had a net profit of $24 million. In 1995, the taxpayers made $3 million. In 1996, it was $63 million; and the next year, it was $34 million. The next year, we made a profit of $30 million. In 1999, we made $51 million. It is true in fiscal year 2000 it cost the Federal taxpayers $465 million.

Now, that was not the fault of the sugar beet growers or the sugar cane growers, it was not the fault of the farmers in the United States, it was the fault of failed trade policies.

□ 1845

It was the fault of the Federal Government of not doing its job of policing the system.

Do not blame the farmers for our failures by the bureaucrats here in Washington. That is what this amendment is all about. This has been a very successful program. We are a net importer of sugar. We need the sugar industry. We need predictable prices.

Defeat the Miller-Miller amendment. Let us vote for the underlying bill.

Mr. STENHOLM. Mr. Chairman, I yield 2½ minutes to the gentleman from Hawaii (Mr. ABERCROMBIE).

Mr. ABERCROMBIE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I have been taking a couple of notes here today. We talk about the sugar program; but Mr. Chairman, we are really talking about people, because sugar is people. Yes, there are differences that we have with one another, but I hardly think it is worth anything to characterize each other or our positions in such apocalyptic terms. I think it makes more sense to try and think: What is it that we want to accomplish?

The proponents say that there are trade barriers, but what we are really talking about here is whether or not we want to benefit from the importation of slave-driven wages in the rest of the world that provides this so-called cheap sugar. Why should we apologize, whether it is in Florida or whether it is in Hawaii, because our workers are the best-paid agricultural workers who produce the most?

The way I learned this economics that I am always being preached to about is that if one works hard and is the best producer and is the most efficient, one is supposed to be rewarded, not castigated. Yet, that is what this would do.

Let us remember what this particular amendment is all about. It is not about the program as such, it is to lower the price 1 cent. I can tell the Members, if they lower the price 1 cent, they will drive the producers out of business because their margin of profit, which the proponents said was only 5 percent, this is just lowering it 5 percent. So if we lower it 5 percent, we are going to drive these folks out of business because their margin of profit is not anything like the candy manufacturers.

If the workers in Illinois or anyplace were going to get the benefit of this, I could see, okay, let us work on this. But they are not. It is just going to be for the profit that is being taken.

So I want to indicate to the Members that we do not just have to look to the free sugar in the restaurants that is out there, but I ask Members to do this. In my right hand is a Diet Coke. In my left hand is a Coca-Cola Classic. Now, I got this from the cloakroom on the Democratic side of the aisle; and I guarantee Members, if I go to the cloakroom on the Republican side of the aisle, both of these cans of Coca-Cola cost the same amount of money. One has the sugar in it and one does not have the sugar in it, and they are taking the money, the same price for both cans of Coca-Cola, and they are taking the American public the same way.

Mr. Chairman, I return the rest of my time and rest my case.

Mr. MILLER of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to bring to the attention of the gentleman, no sugar is in soft drinks in the United States. The price of sugar is so expensive that we use corn syrup. Sugar is not used in the products in the United States; it was driven away from the market.

The more we put up the price of sugar, the less uses we will find. We will find an alternative. That is the reason corn syrup has been used as a substitute for soft drinks, so we will not find that in soft drinks, sadly, in the United States. It is used in the other countries in the world where they have a free market in sugar.

We keep referring to candy. That is just one of the uses for sugar, and they use a lot of it. It is in so many different products we use. I have a colleague who has a company that produces medicine. They have cough drops. Cough drops have a lot of sugar in them. This company manufactures them in England because they cannot bring them to the United States for production because of the cost of sugar, they say.

My colleagues started to discredit the General Accounting Office: ''Why are we paying them $400 million to do all these studies?'' In the case of this one, that is the $1.9 billion. That is the most authoritative source we have. They contracted out a lot of this work with a professor from the Department of Agriculture, one from Iowa State University, a professor from the University of Maryland, a former assistant professor of economics at USDA, a number of other professors from the University of Florida, from the University of California, Davis, from North Carolina State University. They all participated in this study that came up with the $1.9 billion number.

The Department of Agriculture would not participate in this, did not want to get involved in it, and they want to discredit it, which is really sad. But of course, we have to remember, the Department of Agriculture has hundreds of people over there trying to manage this program, and it is a jobs program there. So what we are doing is the cost, which is no net cost, even though we have to buy and store all this sugar, we have hundreds of employees that have to kind of maintain this program and manage the imports allowed in this program.

So yes, it is a $1.9 billion cost to all the consumers of America, and consumers are taxpayers.

Mr. Chairman, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I know we do not pay much attention to Secretaries, former Secretaries, newspapers, and all of those things; but I just happened to be looking. I saw where Jack Block, 1981 to 1986, Secretary of Agriculture; Clayton Yetter, 1989 to 1991, Secretary of Agriculture; Dan Glickman, 1995 to 2001; the Boston Herald; The Baltimore Sun; USA Today; Crain's Chicago Business Newsroom; the Sun Sentinel; The Miami Herald; and the current Secretary of Agriculture have all expressed concern about the subsidies.

One of the papers suggested that of all of the subsidies, the sugar subsidy is the worst. As a matter of fact, it says, ''Who benefits?'' That is in USA Today. ''A handful of sugar growers and processors—and the politicians

whose campaigns they fund to the tune of $1.5 million a year.''

It says, ''The sugar crowd is small but generous.''

Then The Baltimore Sun says that Domino has lost money for 9 months because they paid just about the same for raw sugar that they end up selling the processed sugar for. Therefore, they are not making a profit.

The Boston Herald said ''It would be better to kill this outrageous giveaway program. But the Miller-Miller amendment may be the only reform effort on the table. It deserves the support of all New England representatives.'' But I would go further than that, and I would say that it deserves the support of all Representatives, because once again, when it was in vogue, when it was needed, we needed it then.

Mr. Chairman, I reserve the balance of my time.

Mr. EVERETT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not think we are going to discredit any Government employees. I yield myself 10 seconds to quote the career USDA analyst used in describing the GAO report: ''. . . naive, inconsistent, inadequate, a puzzlement, inflammatory, unprofessional, not well documented, incomplete, and unrealistic.''

Mr. Chairman, I yield 1½ minutes to the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I was just going to quote the same language the USDA used in describing the GAO report.

I agree with what my friend said earlier, the gentleman from Nebraska (Mr. OSBORNE), when he said ''I do not understand why the sugar beet growers in Idaho and Nebraska and other States ought to be paying for the restoration of the Florida Everglades,'' as much as I like the Florida Everglades.

But let me talk for just a minute if I can about Bob's Candies, because Bob's has been mentioned several time here. Bob's came and testified before our committee. They said they had to build a plant in Mexico because they could get sugar cheaper there than they could get it in the United States. They could not compete here in the United States.

I found that ironic because the retail price of sugar in Mexico is more expensive than it is in the United States. So I thought, there must be some other reason that they are going to Mexico, labor costs or something else.

But then he explained it to me. He said that in Mexico, the Mexican government will allow them to buy the world dump price of sugar, make the candy, and then export it to the United States; but they cannot sell that candy that is made with dump price sugar in Mexico. Do Members not find that rather ironic?

Mr. Chairman, there is not a free market out there in sugar. I am unwilling to sacrifice our farmers, our sugar producers, on the alter of free enterprise when there is no free market in sugar. Maybe if we had a free market, we could look at competition that really works.

Mr. STENHOLM. Mr. Chairman, I yield 1½ minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Chairman, I want to thank the ranking member and the chairman one more time for the great job they have done on this bill.

Mr. Chairman, we have been hearing about farmers all day on this floor. I have heard enough bad information to make me want to dip a snuff.

All day we have been hearing about how bad large farmers are. Now we are hearing that not only large farmers are bad, but small farmers are bad if they produce sugar, and if they produce sugar in South Florida, they are absolutely terrible.

The fact is, American sugar farmers are just like every other farmers in America. They do a great job. They know what they are doing. They are the most efficient that there is.

We cannot support replacing efficient American farmers with subsidized foreign sugar. The gentleman from Idaho that preceded me is absolutely right, there is no such thing as a free market in sugar. That is an idea that will never occur in my lifetime, and very likely not in the next 200 years. It is the most political commodity that there is on the planet.

The American people get a good deal for their sugar program. They pay 20 percent less for sugar than consumers in most other developed countries. In terms of minutes of work to buy one pound of sugar, our sugar is about the most affordable in the entire world. The retail price of sugar has risen less than two pennies per pound over the past 10 years. It would be foolish for us to force the production of sugar from this country offshore in an effort to just do more damage to American agriculture.

Mr. EVERETT. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, this has been farm day on the floor of the United States Congress, a topic that we do not discuss enough.

But in particular, it has been ironic that we have had people from different regions of this country try to pit one commodity against another; that we have had people who may have supported the previous amendment in the name of small farms come down here to try to put small farms and small farmers out of business.

There are a lot of small farmers who grow sugar in Florida and around the country. I know them. I have met them. I have walked on their land. I have heard their problems.

For us to trade away their jobs to a Third World country that uses labor practices that have been banned here for a century, chemicals that have been banned here for decades, to put on our food to ship to our children and our public at the expense of our industry and our jobs is obscene.

There has been a lot made of the environmental impacts. I know an awful lot about that. I helped write the Everglades restudy bill in the Florida legislature. The Florida sugar industry has reduced their pollutants by 73 percent, three times what the law asked them to do, and ahead of schedule. Nobody else has done that, not the national parks, not the tribes, not the water management districts, and certainly not the City of Miami, the City of Fort Lauderdale, Dade County, Broward County, and all of the other folks who are a part of that larger problem.

The sugar industry is doing their part to be a good citizen, to be good stewards of the land. I urge the defeat of this amendment.

Mr. STENHOLM. Mr. Chairman, I yield 30 seconds to the gentleman from Oregon (Mr. WU).

□ 1900

Mr. WU. Mr. Chairman, the rarest of all beasts came to this floor completely undecided on this bill. I submitted a bill in the last Congress to completely eliminate price supports for sugar, but after careful consideration about this, well, I think of two kids, my son who goes into the store and always asks for candy. A Mars bar costs 75 cents in the District of Columbia. It costs 50 cents in Oregon. A 5-pound bag of sugar costs $2.19 here in the District and $2.25 back home in Oregon. I just do not think that those savings will be passed on to my son.

I guess I just think of these little kids I have seen in Fiji working in those cane fields and they are never going to have a chance to have a better life unless we have a viable sugar industry here in America.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Chairman, I support the amendment, but I am struck by this extraordinary doctrine we have of the exceptionalism of agriculture, because Members who are ardent supporters of free enterprise and keeping our markets free and keeping the government out of the markets, and not subsidizing and not regulating apparently, have read all of those economics books better than I, and they have found the secret footnote that says none of this applies to agriculture.

Now we have a new element in the doctrine of agricultural exceptionalism. Member after Member has gotten up and said we must protect American workers from the unfair and degrading conditions overseas. Let us see how they vote on Fast Track, Mr. Chairman.

We are about to get legislation that will be the grandparent of enabling competition of precisely the sort that

Members have been here denouncing. I will be noticing how many Members who have invoked the unfairness of international competition unregulated to justify the sugar program. I will be looking to see how many of them will find that that was really just an exception and they will vote to, in fact, to subject the whole rest of the American economy to precisely what they have been deploring.

Mr. EVERETT. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Chairman, if we want to look at something, look at how often we bemoan the fact that we are so dependent upon an oil cartel to supply 60 percent of the oil that is critical to this Nation's energy supplies. Then I want us to think about the fact that the international sugar cartel is a lot smaller than the international oil cartel, much smaller. This amendment plays right into their hands.

This amendment drives further farmers out of business in Louisiana and across this country and makes room for the foreign cartel to dump its cheap sugar into America.

When do they do it? They do it after they have sold all the sugar they can sell and they dump what is left, the surplus, at below cost rates into this country to kill off our farmers. What happens as a result? Our farmers are gone in Louisiana. My dad drove a cane truck. I know them very intimately. I know these small farmers and how hard they work. They are out of business and all of a sudden we are dependent now, not just for oil, but we are dependent for sugar, too, on a cartel out there. Would that not be great?

This amendment by the gentleman from Florida (Mr. MILLER) is particularly pernicious this year. It not only taxes the sugar farmers out of existence, but then it makes sure they will have to forfeit their sugar by taking away the program that saves us from government forfeitures. What a nasty amendment. This thing needs to be defeated.

Mr. DAVIS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all I want to commend and congratulate the gentleman from Florida (Mr. MILLER) and the gentleman from California (Mr. MILLER) for crafting this amendment. I also want to commend the chairman and ranking member of the Committee on Agriculture for putting together a comprehensive package that speaks in many ways to the agricultural needs of our country.

But the sugar subsidy, in contrast to all of the other farm subsidies, the sugar program imposes most of its costs on consumers, not taxpayers. The sugar program in reality is a food tax, because all of the food items that we purchase that use sugar, because of the inflated cost, it means that we are paying more. The Miller-Miller amendment does not wipe out the subsidy. It simply seeks to reduce it, to put it down to a level that does not hurt the consumer, does not hurt the workers and does not hurt American manufacturers.

So, Mr. Chairman, I would urge all of us to look carefully and look hard and know that when we vote for Miller-Miller, we are doing the right thing.

Mr. Chairman, I yield back the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Just quickly a few comments. Earlier we had comments about the 17 sugar growers. I would refer every one of my colleagues to the current edition of the Forbes Magazine to see the 400 richest people in the world and look at how many have done very well in the sugar industry in the United States. Take a look at the CEO salaries of Coalition for Sugar Reform. I cannot believe some Members have the gall to come here and to complain about the sugar industry in the United States.

We have 400,000 jobs on the line. There are 400,000 producers. If this amendment passes, they will go out of business in the United States because we cannot lower the prices anymore to producers in the United States and stay in business. That is the given fact of this amendment.

We talk about the consumer, American consumers have got the best bargain in the world with the exception of Canada and Australia. Canada and Australia consumers get a better deal at the sugar counter than we do. But take a look at the advantage that Australia and Canada have in the value of the dollar. When we talk about the free market and the free enterprise system, if we are having to compete, whether it is in sugar or airplanes or whatever we are in, if we have to compete, in this case with sugar, and Canada being the largest importer of sugar into the United States, they have roughly a 50 percent advantage. That means where our growers are getting rounded off 20 cents, they are not, it is less than that, the Canadian sugar grower gets 30 cents just because the value of the dollar.

We cannot compete with that. Take a look at the facts. Wholesale prices of sugar have dropped by 30 percent since 1990 to 2000. Since 1996, a 28 percent drop. But has any product that uses sugar dropped? The answer is no. The price of everything that uses sugar goes up. We have been through this argument every year, every year. We seem to have a dedicated agenda on the part of some who use agricultural products, that the only way to benefit the consumer is to drive our producers out of business. I respectfully disagree with that.

Take a look at the bill we have. We recognize we have a surplus of sugar. We recognize the current program has not worked and we change it. But we do not change it in a manner in which we destroy the producers in the United States. We manage to continue to be able to have, well, not a level playing field, but at least give them a chance. If the Miller-Miller amendment passes, producers in America will have no chance. Vote against the amendment.

The CHAIRMAN. The gentleman from Florida (Mr. MILLER) has 5½ minutes.

Mr. MILLER of Florida. Mr. Chairman, I yield myself such time as I may consume.

The Miller-Miller amendment is just a modest change in the sugar program. We are not trying to eliminate it like we debated back in 1996, and that is really what I wish we would eliminate, but we are only talking about a one-penny change, dropping the price by about 5 percent.

Now, I have my colleagues talk about, oh, the consumers do not ever gain from this, and I keep referring to this GAO report. Let us also look at all the organizations that support the Miller-Miller amendment.

What consumer agreement supports the sugar program? None. The Consumer Federation of America supports the amendment. The Consumers for World Trade support the Miller-Miller amendment, and Consumers Union supports the Miller-Miller amendment. They support it because the consumers are the one that get the bad deal off the sugar program.

Let me also talk about some of the other organizations, and many of them are going to be rating this vote, that is, scoring it and saying how important the vote is to them. For business groups, we have a lot of the users of it and good government groups. We have Citizens Against Government Waste, National Taxpayers Union, Americans for Tax Reform, Citizens for a Sound Economy, Taxpayers for Common Sense.

Environmental, people say, oh, it really does not hurt the environment. Why do National Audubon Society, Sierra Club, The League of Conservation Voters, Everglades Trust, Friends of the Earth, World Wildlife Fund all support this amendment?

As I said earlier, three former Secretaries of Agriculture, one Democrat, a former colleague of ours, Dan Glickman under President Clinton, again, Secretary Clayton Yuetter under President Bush, and Secretary Jack Block under President Ronald Reagan, all signed a letter concluding, and let me read a couple of quotes of it. Whatever its merits in the past, the sugar program in its present form no longer serves its intended public policy goal. It should be reformed.

They go on, there appears to be no reasonable way to sustain the present sugar program. Defending this import restrictive program is increasing the untenable for our trade negotiators. This conflict harms the interest of other farmers, ranchers and processes. Reform of the sugar program is long overdue, and they encourage the support for the changes outlined in this amendment.

This is a simple, common sense, reasonable and modest amendment. We have not had a full debate on this issue since 1996. We were promised things in 1996 like, oh, it will not cost us anything, and then last year we bought the $465 million worth of sugar. Are we supposed to believe it is not going to cost us again when in the year 2000, we bought $465 million worth of sugar and we are a million and a half dollars a month just to store sugar we do not even know what to do with? So come on, it is going to cost us because it cost us last year.

We are overproducing sugar, and we need to bring some reasonable common sense to this. So I encourage my colleagues to support the Miller-Miller amendment.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Alabama (Mr. EVERETT) has 45 seconds remaining.

Mr. EVERETT. Mr. Chairman, I yield myself such time as I may consume.

The proponents of the M and M amendment, when they talk about sending jobs to Mexico, have the right string but they have the wrong yo-yo. It is not the sugar program that is causing the job loss to Mexico. This is what is causing those losses.

American wages are 25 times higher here than they are in Mexico. American energy costs are five times higher than they are in Mexico. American tax burden is at least seven times higher. American protection for workers and the environment, water and air quality is much higher than it is in Mexico. Those are the reasons that we are losing jobs to Mexico, not the sugar program.

Defeat the M and M amendment.

Mr. Chairman, I yield back the remainder of my time.

Mr. SHAYS. Mr. Chairman, I am one of a few Republicans in Congress who represent an urban area, yet when it came time to end the broken system of social welfare, I voted for it and I'm proud to say that welfare reform has been a tremendous success in my district and across the nation.

We did the heavy lifting in 1996. Now it's time we got the rich farmers off welfare. There aren't a whole lot of farmers who are much better off than the sugar producers who've made a living—no, a killing!—off of government subsidies and production controls.

I think Karl Marx, even on a sugar high, couldn't have come up with anything as market-distorting and anti-competitive as the sugar program in this Farm bill. This legislation rolls back the modest reforms of 1996 by reimposing federal limits on how much sugar can be grown and sold in the United States. I can't think of a single other crops where we do this.

To truly appreciate this government handout, consider that last year the federal government spent nearly half a billion dollars to buy one million tons of surplus sugar. The government continues to spend $1.4 million a month to store it and the Department of Agriculture estimates the program will cost taxpayers at least $1.6 billion over the 10-year life of the Farm Bill.

This sugar program is one of the sweetest deals in America—but only if you're one of the lucky few. You don't hear much about the family farm during debate on this amendment, because the largest 1 percent of sugar growers claim 40 percent of the program's benefits.

But if my colleagues don't care about taxpayers' dollars or family farms, perhaps they'll care about our environment. The government's subsidies of the sugar industry are extremely harmful to the Florida Everglades. I hope everyone recognizes the irony here. Even as we spend billions of dollars on repairing the Everglades, we're spending billions more to subsidize a sugar industry that is responsible for so much of the damage to this area.

Mr. Chairman, if we can't repeal it, let's at least restore some sanity to one of the government's worst programs. This is a very modest amendment and I urge my colleagues to support it.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to the Miller/Miller Amendment.

The Miller/Miller Amendment is an attempt to destroy what remains of sugar production in the state of Texas and throughout the nation. In order to understand the damage that the Miller/Miller Amendment may cause, it is important to understand the purpose of the U.S. Sugar policy.

First, Mr. Speaker, our U.S. Sugar policy ensures that foreign predatory trade practices—such as export subsidies, marketing monopolies and cartels, high internal supports, and high import barriers—do not drive efficient American sugar farmers out of business and threaten the reliability and stability to American consumers.

Also, U.S. sugar policy ensures that jobs in rural America are not sent over seas, and that American consumers are not held captive by unreliable foreign suppliers of subsidized sugar.

Governments of all foreign sugar-producing countries intervene in their production, consumption and or trade of sugar, which makes sugar one of the most heavily subsidized and distorted markets in the world.

The Miller/Miller Amendment is an attempt to give our foreign competitors an advantage that they have not deserved. We should leave our current sugar policy intact until other countries make substantial changes in the subsidies that they provide to their sugar producers. The U.S. sugar policy saves jobs and keeps Americans working—in this economy we should do no less.

I urge my colleagues to oppose the amendment.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in strong support today of the Miller-Miller amendment to reform the sugar subsidy program. I want to commend both gentlemen for their tireless efforts to reform this program, which has been a raw deal for the American taxpayer.

Mr. Speaker, this amendment does not eliminate the sugar subsidy program, which I admit I would wholeheartedly support. It does, however, take the modest step of providing some reforms to the existing program in an attempt to eliminate the waste and abuse associated with it. Further, this amendment would prevent any new sugar bailout programs from being created.

Last year, the government spent $465 million to buy a million tons of sugar, and then spent an additional $1.4 million a month to store it. That is money that could well have been spent on our nation's critical needs, such as providing education to children with disabilities or medical care to our veterans, or to develop next-generation weapons needed by our men and women in uniform.

Instead, as a result of the current sugar subsidy program, we provided a sweet deal for a small number of sugar growers. The existing program pays out 40 percent of Federal subsidies to a select 1 percent of the nation's sugar growers.

Miami Herald columnist Carl Hiaasen ably and concisely summarized the current sugar subsidy program in his August 29, 2001 column. ''Sure, it's corporate welfare,'' he said. ''Sure, it's freeloading. Sure it jacks up consumer prices.'' And, surely, I'd add, it's time to stop taxpayers from getting a raw deal, and fix this broken program.

I strongly support the Miller-Miller amendment, and encourage my colleagues to do the same. The farm bill is a sweet deal for most of our farmers; let's at least put an end to this expensive, unnecessary bailout program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. MILLER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MILLER of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 177, noes 239, not voting 14, as follows:

[Roll No. 367]

AYES—177

Allen	Duncan	Kolbe
Andrews	Dunn	Langevin
Armey	Edwards	Lantos
Baldwin	Ehlers	Largent
Barr	Ehrlich	Larson (CT)
Barrett	English	LaTourette
Bartlett	Eshoo	Linder
Bass	Ferguson	Lipinski
Berkley	Flake	LoBiondo
Berman	Fossella	Lowey
Biggert	Frank	Maloney (CT)
Bilirakis	Frelinghuysen	Maloney (NY)
Blagojevich	Gallegly	Manzullo
Blumenauer	Gekas	Markey
Boehlert	Goodlatte	Matheson
Bono	Gordon	McCarthy (MO)
Borski	Goss	McCarthy (NY)
Boucher	Green (WI)	McHugh
Brown (OH)	Greenwood	McInnis
Brown (SC)	Gutierrez	McKinney
Cantor	Hall (OH)	McNulty
Capito	Hart	Meehan
Capps	Hayworth	Meeks (NY)
Castle	Hefley	Miller (FL)
Chabot	Hilleary	Miller, George
Clay	Hinchey	Moore
Clement	Hobson	Moran (VA)
Collins	Hoeffel	Morella
Conyers	Hoekstra	Myrick
Cox	Holt	Nadler
Coyne	Horn	Ney
Crane	Hostettler	Northup
Culberson	Hyde	Owens
Davis (CA)	Isakson	Pallone
Davis (IL)	Issa	Pascrell
Davis, Jo Ann	Jackson (IL)	Paul
Davis, Tom	Johnson (CT)	Pence
DeGette	Jones (OH)	Peterson (PA)
DeLauro	Kanjorski	Petri
DeLay	Keller	Pitts
DeMint	Kelly	Platts
Deutsch	Kerns	Portman
Doggett	Kind (WI)	Pryce (OH)
Dooley	King (NY)	Quinn
Doyle	Kingston	Ramstad
Dreier	Kirk	Regula

Reynolds
Rohrabacher
Roukema
Royce
Rush
Ryan (WI)
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Slaughter
Smith (NJ)
Snyder
Souder
Sununu
Tancredo
Tauscher
Thomas
Tiberi
Tierney
Toomey
Upton
Velazquez
Wamp
Waxman
Weiner
Weldon (PA)
Wolf
Young (FL)

NOES—239

Abercrombie
Ackerman
Aderholt
Akin
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barton
Becerra
Bentsen
Bereuter
Berry
Bishop
Blunt
Boehner
Bonilla
Bonior
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Buyer
Calvert
Camp
Cannon
Capuano
Cardin
Carson (IN)
Carson (OK)
Chambliss
Clayton
Clyburn
Coble
Combest
Condit
Cooksey
Costello
Cramer
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (FL)
Deal
DeFazio
Delahunt
Diaz-Balart
Dingell
Doolittle
Emerson
Engel
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Frost
Ganske
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Graham
Granger
Graves
Green (TX)
Grucci
Gutknecht
Hall (TX)
Harman
Hastings (FL)
Hastings (WA)
Hayes
Herger
Hill
Hilliard
Hinojosa
Holden
Honda
Hooley
Hoyer
Hulshof
Hunter
Inslee
Israel
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kaptur
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kleczka
Knollenberg
Kucinich
LaHood
Lampson
Larsen (WA)
Latham
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lofgren
Lucas (KY)
Lucas (OK)
Luther
Mascara
Matsui
McCollum
McCrery
McDermott
McGovern
McIntyre
McKeon
Meek (FL)
Menendez
Mica
Miller, Gary
Mink
Moran (KS)
Napolitano
Neal
Nethercutt
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Oxley
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickering
Pombo
Pomeroy
Price (NC)
Putnam
Radanovich
Rahall
Rangel
Rehberg
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Schaffer
Sessions
Shimkus
Shows
Simpson
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sweeney
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—14

Burton
Callahan
Dicks
Gibbons
Hansen
Houghton
Istook
LaFalce
Millender-McDonald
Mollohan
Murtha
Serrano
Visclosky
Wexler

□ 1935

Messrs. HUNTER, MCDERMOTT, HAYES, FATTAH, and KUCINICH changed their vote from ''aye'' to ''no.''

Ms. HART, Ms. SCHAKOWSKY, Mr. HEFLEY, and Mr. MOORE changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. HANSEN. Mr. Chairman, on rollcall No. 367, I was inadvertently detained. Had I been present, I would have voted ''no.''

Ms. MILLENDER-MCDONALD. Mr. Chairman, on rollcall No. 367, I was detained in a traffic accident. Had I been present, I would have voted ''no.''

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The Committee will rise informally.

The Speaker pro tempore (Mr. GUTKNECHT) assumed the chair.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a joint resolution of the House of the following title:

H.J. Res. 42. Joint Resolution memorializing fallen firefighters by lowering the American flag to half-staff in honor of the National Fallen Firefighters Memorial Service in Emmitsburg, Maryland.

The SPEAKER pro tempore. The Committee will resume its sitting.

FARM SECURITY ACT OF 2001

The Committee resumed its sitting.

Mr. COMBEST. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in consultation between the two sides, I would like to tell Members what we are attempting to do in resolution of the bill that is before the House at this time.

There is a unanimous consent that is being drafted, and at some point when it is completely drafted and cleared on both sides, we would propose the unanimous consent in the full House. Basically this is what we would like to do this evening, if we can.

The next series of votes will occur around 10 p.m., and those will be the final votes of the evening. It is our intent to continue to try to complete the bill tonight, and any votes that would be remaining would be voted on in the morning when the House reconvenes.

Under the agreement, there are a number of amendments that we think we will have realistic time agreements on, and we can deal with those amendments in fairly short order. The gentleman from Vermont (Mr. SANDERS) has an amendment, and he has graciously agreed to cut back the time and put a 45-minute limit on it and vote that amendment tonight.

In addition, the gentleman from Wisconsin (Mr. OBEY) has an amendment to the Sanders amendment, and he has requested 10 minutes on the Obey amendment to the Sanders amendment. That would be included in the unanimous consent agreement. The anticipation is that the vote on the Sanders amendment would lead us to 10 p.m. We would have a series of votes at that time, including that amendment. And from that time, Members would be free from voting this evening; and we would continue with debate.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, there is also a Vitter amendment, but we can include that in our time.

Mr. COMBEST. Mr. Chairman, we have consulted on both sides. We will continue beyond 10:00 with the intention of completing the bill tonight and having the final votes in the morning.

Mr. Chairman, we will proceed with debate as we refine the unanimous consent agreement.

AMENDMENT OFFERED BY MR. WALSH

Mr. WALSH. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 63 offered by Mr. WALSH:

At the end of chapter 1 of subtitle C of title I (page 75, after line 17), insert the following new section:

SEC. 147. STUDY OF NATIONAL DAIRY POLICY.

(a) STUDY REQUIRED.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) NATIONAL DAIRY POLICY DEFINED.—In this section, the term ''national dairy policy'' means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

Mr. OBEY. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman from Wisconsin (Mr. OBEY) reserves a point of order.

Mr. WALSH. Mr. Chairman, my amendment is very simple. It requires