

on children's products. When we get a toy, and they say there is a recall, say, on a certain kind of doll, there may be 10 varieties of that doll. We may have bought a doll made a year ago and it has been in a warehouse. We don't know. We want a better labeling and tracking system.

We want to provide whistleblower protections. If there are people out there who know there is wrongdoing and somebody is covering it up—we see this in other contexts—we want to allow that whistleblower to come forward and not be punished for doing what is right.

The last point I wish to mention is the bill prohibits the sale of recalled products. Again, a lot of people in this country may be shocked to know that in many circumstances—not all—but in many circumstances, we see recalled products still for sale on the open market. Parents would be shocked to know that fact, but it is true.

We are trying to do our best, give our best effort to have a serious and fundamental reform of the Consumer Product Safety Commission.

One more point in closing, and that is, there are two major goals we are trying to accomplish with this legislation. First, we are trying to rebuild the agency. That is very important for the functioning of that agency. As I said before, it is overwhelmed. I showed some charts. There are many others I can point out to show how overwhelmed this agency is. First and foremost, we want to rebuild the agency. And second—and this point flows from the first point—we want to restore public confidence in the marketplace. We don't want to be at the next holiday season and moms and dads are coming up to me in Arkansas and coming up to my colleagues all over the country saying: Should I buy toys for my children and grandchildren this year? That is what I hear when I go back home.

People are concerned, they are scared, they are uncertain about the American marketplace, and that is too bad. We do not need that to happen. We need our people to have confidence in the marketplace in this country.

I ask my colleagues on both sides of the aisle and in the House as well and in the White House, I ask everyone to give this legislation a serious look. We would like to move it forward this month, before the end of this year, during this holiday season. I know there are some folks who expressed interest in trying to help get that done. I am available any day, any night. My staff is available. We definitely want to work with whomever is willing to work to get the Consumer Product Safety Commission reauthorization done.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry: What is before the Senate at this moment?

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

Mr. HARKIN. Morning business is closed and the Senate is back on the farm bill?

## FARM, NUTRITION, AND BIOENERGY ACT OF 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 2419, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2419) to provide for the continuation of agricultural programs for fiscal year 2012, and for other purposes.

### Pending:

Harkin amendment No. 3500, in the nature of a substitute.

Harkin (for Dorgan-Grassley) amendment No. 3695 (to amendment No. 3500), to strengthen payment limitations and direct the savings to increase funding for certain programs.

Brown amendment No. 3819 (to amendment No. 3500), to increase funding for critical farm bill programs and improve crop insurance.

Klobuchar amendment No. 3810 (to amendment No. 3500), to improve the adjusted gross income limitation and use the savings to provide additional funding for certain programs and reduce the Federal deficit.

Chambliss (for Lugar) amendment No. 3711 (to amendment No. 3500), relative to traditional payments and loans.

Chambliss (for Cornyn) amendment No. 3687 (to amendment No. 3500), to prevent duplicative payments for agricultural disaster assistance already covered by the Agricultural Disaster Relief Trust Fund.

Chambliss (for Coburn) amendment No. 3807 (to amendment No. 3500), to ensure the priority of the farm bill remains farmers by eliminating wasteful Department of Agriculture spending on casinos, golf courses, junkets, cheese centers, and aging barns.

Chambliss (for Coburn) amendment No. 3530 (to amendment No. 3500), to limit the distribution to deceased individuals, and estates of those individuals, of certain agricultural payments.

Chambliss (for Coburn) amendment No. 3632 (to amendment No. 3500), to modify a provision relating to the Environmental Quality Incentive Program.

Salazar amendment No. 3616 (to amendment No. 3500), to amend the Internal Revenue Code of 1986 to provide incentives for the production of all cellulosic biofuels.

Thune (for McConnell) amendment No. 3821 (to amendment No. 3500), to promote the nutritional health of school children, with an offset.

Craig amendment No. 3640 (to amendment No. 3500), to prohibit the involuntary acquisition of farmland and grazing land by Federal, State, and local governments for parks, open space, or similar purposes.

Thune (for Roberts-Brownback) amendment No. 3549 (to amendment No. 3500), to modify a provision relating to regulations.

Domenici amendment No. 3614 (to amendment No. 3500), to reduce our Nation's dependency foreign oil by investing in clean, renewable, and alternative energy resources.

Thune (for Gregg) amendment No. 3674 (to amendment No. 3500), to amend the Internal Revenue Code of 1986 to exclude charges of

indebtedness on principal residences from gross income.

Thune (for Gregg) amendment No. 3673 (to amendment No. 3500), to improve women's access to health care services in rural areas and provide improved medical care by reducing the excessive burden the liability system places on the delivery of obstetrical and gynecological services.

Thune (for Gregg) amendment No. 3671 (to amendment No. 3500), to strike the section requiring the establishment of a Farm and Ranch Stress Assistance Network.

Thune (for Gregg) amendment No. 3672 (to amendment No. 3500), to strike a provision relating to market loss assistance for asparagus producers.

Thune (for Gregg) amendment No. 3822 (to amendment No. 3500), to provide nearly \$1,000,000,000 in critical home heating assistance to low-income families and senior citizens for the 2007-2008 winter season, and reduce the Federal deficit by eliminating wasteful farm subsidies.

Thune (for Grassley/Kohl) amendment No. 3823 (to amendment No. 3500), to provide for the review of agricultural mergers and acquisitions by the Department of Justice.

Thune (for Sessions) amendment No. 3596 (to amendment No. 3500), to amend the Internal Revenue Code of 1986 to establish a pilot program under which agricultural producers may establish and contribute to tax-exempt farm savings accounts in lieu of obtaining federally subsidized crop insurance or non-insured crop assistance, to provide for contributions to such accounts by the Secretary of Agriculture, to specify the situations in which amounts may be paid to producers from such accounts, and to limit the total amount of such distributions to a producer during a taxable year.

Thune (for Stevens) amendment No. 3569 (to amendment No. 3500), to make commercial fishermen eligible for certain operating loans.

Thune (for Alexander) amendment No. 3551 (to amendment No. 3500), to increase funding for the Initiative for Future Agriculture and Food Systems, with an offset.

Thune (for Alexander) amendment No. 3553 (to amendment No. 3500), to limit the tax credit for small wind energy property expenditures to property placed in service in connection with a farm or rural small business.

Thune (for Bond) amendment No. 3771 (to amendment No. 3500), to amend title 7, United States Code, to include provisions relating to rulemaking.

Salazar (for Durbin) amendment No. 3539 (to amendment No. 3500), to provide a termination date for the conduct of certain inspections and the issuance of certain regulations.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, as Senators are well aware, we are now back on the farm bill. I again thank both leaders, Senator REID and Senator MCCONNELL, for last week working together to reach an agreement whereby we will have 20 amendments, a maximum of 20 amendments. We don't have to have 20 amendments but a maximum of 20 amendments on each side. We now have a list, and we do have the amendments in order on the Republican side. There are 20 listed. I hope that maybe not all of them will require a vote. Maybe we can work some of those out so we will not require votes or much time on any of those amendments. Senator CHAMBLISS and I are working together to try to get some hard-and-fast

time agreements on these amendments so we can move ahead expeditiously.

Right now we have seven amendments listed on the Democratic side, and I hope that might be the limit of those amendments. Republicans have about 20, and we have about 7 amendments that I know of right now.

Also, we know yesterday the Senate entered into a unanimous consent agreement that beginning at 11 a.m., the Senate will begin 3 hours of debate on the Lugar-Lautenberg amendment No. 3711 and the time is to be equally divided, so an hour and a half on each side. Of course, we will break at 12:30 p.m. for our respective weekly party conferences. We will resume at 2:15 p.m. and will resume debate on amendment No. 3711, the Lugar-Lautenberg amendment, and that when all time is used or yielded back, we will vote on or in relation to that amendment.

Senators should be aware the first vote that will occur on an amendment to the farm bill will be on the Lugar-Lautenberg amendment at some point this afternoon, and then hopefully we will move ahead after that on other amendments. I don't know exactly what the next amendment will be. We will work that out.

Hopefully, we can work out some more votes today. I don't know how late the leader wants to keep us in tonight. I am prepared to stay here very late tonight—very late tonight—to move these amendments forward. We are reaching a point where I know everyone wants to get out of here for the holiday season, for Christmas and New Year. We are approaching the end of Hanukkah. I know people would like to leave and get together with their families. I think if we put in a couple long days, we can reach pretty good agreements on these amendments to the farm bill.

I hope we will have a long day today and get some amendments offered and debated and disposed of, one way or another. I wished to lay that out. I see my colleague and good friend, the former chairman of the Agriculture Committee, Senator LUGAR, is on the floor.

So I will at this time yield the floor.  
The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 3711

Mr. LUGAR. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Senator's amendment No. 3711 is pending under a 3-hour time limit.

Mr. LUGAR. Mr. President, is it appropriate to commence the debate?

The PRESIDING OFFICER. Yes, it is.

Mr. LUGAR. I thank the Chair, and I thank the distinguished chairman of the committee.

Mr. President, let me start by thanking Senator TOM HARKIN, the distinguished chairman of our committee, and the ranking Republican leader, SAXBY CHAMBLISS, for their leadership. It is not an easy task to be chairman or ranking Member of the Senate Agri-

culture Committee during the farm bill. Having served in both capacities, I know well of the challenges that both have faced in putting together a bill.

Let me point out, as I have during the debate in committee, some achievements have occurred. Both the chairman and ranking member have outlined a number of these in the areas of conservation, rural development, research, nutrition, and energy.

I am also pleased by the effort to provide interested farmers with the revenue-based program which should be an improvement over the status quo.

However, the farm bill before us does not provide meaningful reform. Our current farm policies, sold to the American public as a safety net, actually hurt the family farmer. In the name of maintaining the family farm and preserving rural communities, today's farm programs have benefited a select few, while leaving the majority of farmers without support or a safety net.

Let me review the history of these farm bills.

The genesis of our current farm policy began during the Great Depression as an effort to help alleviate poverty among farmers and rural communities. At that time, one in four Americans lived on a farm and the rural economy's vitality was largely dependent upon farmers. Farm programs were instituted that stifled agricultural productivity in order to raise commodity prices through a federally administered supply-and-demand program. Supply-control programs cost U.S. taxpayers handsomely in higher food costs and job loss, and now about half of the Nation's farmers are essentially prevented from growing other crops, such as fruits and vegetables.

To date, this same antiquated idea is promoted even though farm income is higher on average than other industries. Times have changed dramatically since then. Today, 1 in 75 Americans lives on a farm, and only 1 in 750 lives on a full-time commercial farm. Furthermore, nearly 90 percent of total farm household income comes from off-farm sources—90 percent.

In response to these ongoing changes, in 1996, Congress finally recognized farmers, not the Government, could best ascertain what crops are profitable and granted roughly half our farmers flexibility in planting choices, the so-called Freedom to Farm bill, and began to transition away from federally controlled agriculture programs.

But in 2002, Congress and the Bush administration reversed these reforms and created the so-called three-legged stool which, in addition to other farm programs, has helped to place us in violation of our WTO commitments.

The Senate Agriculture Committee farm bill before us today perpetuates and even expands these defective policies without regard for the fact that the majority of farmers do not have a safety net.

The first leg of this so-called three-legged stool is direct payment sub-

sidies to specific farmers who grow certain crops. Direct payments are fixed annual taxpayer-funded subsidies that are based on a farm's historic production and a federally set payment rate. For the five major subsidized crops, the average payment rate is roughly \$15 per acre for wheat, \$24 per acre for corn, \$33 per acre for cotton, \$11 per acre for soybeans, and \$94 per acre for rice.

These subsidies were originally called transition payments. They were meant to be a temporary bridge from supply management-based subsidies to free market-based agriculture. They were never intended to be a continuing entitlement.

Direct payment policies are particularly irresponsible because the taxpayer-funded subsidies go out to farmers regardless of whether cash is flowing in or out of their farms or whether they farm at all.

Although many subsidized farmers are projected to receive record crop prices and earn record farm incomes over the next 5 years, the Senate farm bill, as agreed to by the Senate Agriculture Committee, doles out up to \$26 billion in direct payments from taxpayers, much of which will go to some of the largest and wealthiest farming operations in America. In fact, over 50 percent of these subsidies will continue to go to farmers in seven States, for a grand total of \$13.1 billion.

Some may find these statistics surprising, but this is simply a continuation of "business as usual" when it comes to farm subsidies. Keep in mind, in the years 2000 to 2005, the farm sector received \$112 billion in taxpayer subsidies, but only 43 percent of all farms received payments. This is because the majority of the payments go to just five row crops—corn, soybeans, wheat, cotton, and rice. The largest 8 percent of these farms receives 58 percent of these payments. In fact, the top 1 percent of the highest earning farmers claimed 17 percent of the crop subsidy benefits between 2003 and 2005.

Smaller farms that qualify in the current system and that could benefit from additional support did not do as well. Two-thirds of recipient farms received less than \$10,000, accounting for only 7 percent of their gross cash farm income. Minority farmers fared even worse, with only 8 percent of minority farmers even receiving Federal farm subsidies. Furthermore, half of the Federal crop subsidies paid between 2003 and 2005 went to only 19 congressional districts out of 435.

Each one of these statistics illustrates that our direct payment system is inequitable and in conflict with claims we hear on the Senate floor that our current farm policies are a safety net for the family farmer.

The second leg of the stool is "countercyclical payments," or having the taxpayer pay farmers when prices fall below a congressionally set price. The third leg is a marketing loan program that allows farmers to put their crops

up as collateral to receive operating capital. However, provisions allow farmers to go ahead and sell the crop and repay the Government at a lower rate, leaving taxpayers to make up the difference.

Because these two programs do not appropriately correspond with market forces, they have the effect of creating artificial markets for crops, even when markets do not exist. Yet neither program provides any help to farmers when they arguably need it most—during disasters, such as drought. Of greater concern, these programs have been ruled to violate our trade agreements. But this new farm bill actually increases target prices for at least five crops, loan rates for seven crops, and adds a number of new subsidized crops.

Now, some Senators may wonder why we should be concerned that we are in violation of our World Trade Organization—or WTO—commitments. They might think this situation is simply limited to agriculture, or specific crops, with little impact on our overall economy. Others might even suggest we are better off building more barriers to trade; that this farm bill is about American farmers and not farmers in Brazil or elsewhere. However, if Senators look further down the line, they will see that our WTO violations could cost the United States billions in revenue, intellectual property, and lost trade opportunities. And failure to move toward compliance will invite retaliatory tariffs that legally can be re-directed at any U.S. industry.

In fact, as is happening now, Brazil will soon have the authority to retaliate in kind against United States products, whether they be agricultural products or intellectual property, due to our unwillingness to fix our farm policies. It is unclear if Brazil will follow through with these threats, but what is clear is that the WTO has repeatedly found the United States cotton program to be in violation of our commitments. As a result, a host of challenges to other agricultural commodities has ensued, including a case brought forth by Brazil and Canada in November that targets all of our commodity programs.

Upon the initial findings of the WTO, Congress did repeal some cotton-related programs found to violate these agreements, namely, the so-called Step 2 Program, which was a program that used taxpayer money to pay companies to use U.S. cotton. However, the farm bill we are currently considering makes virtually no attempt to bring the rest of the cotton program into compliance.

The administration earlier this year put forth a number of policy changes that they argued would have fixed our trade problems with the WTO, including a revenue-based countercyclical program, marketing loans that respond to market prices, and eliminating planting restrictions for fruits and vegetables. None of these proposals were incorporated into either the

House bill or the Senate farm bill before us today. In fact, this farm bill significantly increases the likelihood that other programs will be further challenged by the World Trade Organization.

Specifically, the WTO found that countercyclical payments and marketing loans are trade distorting, and the direct payments argued to be trade neutral are a trade violation as long as planting restrictions are retained. Astonishingly, the farm bill increases payments made under these trade-distorting programs almost across the board, further exacerbating our trade situation.

In the midst of all of this, the chief economist for the Department of Agriculture projects that exports of agricultural products for this year are likely to reach \$79 billion, nearly 30 percent of all farm cash receipts in 2007. Nearly 40 percent of soybeans, half of our wheat, and over 90 percent of our cotton produced in the United States this year will be exported.

Clearly, trade and our trading partners are important to American farmers now and will continue to be in the future. U.S. action to comply with WTO rulings against cotton subsidies as well as U.S. policy regarding subsidies in general will be closely monitored by the world's exporters. Should the WTO determine that other United States farm subsidy programs, as challenged by Brazil and Canada, do not comply with WTO rules, the potential for retaliation by other countries is immeasurable.

The farm bill before us today establishes a new permanent disaster trust fund at the Department of the Treasury to provide an additional \$5 billion in spending for commodity crop farmers. Our amendment does not touch this provision nor any of the other provisions related to the Finance Committee package. Of this \$5 billion, it is estimated that nearly half of the money will be given to farmers in counties designated as disaster counties by the President and the other half will go to crop insurance companies as a subsidy to administer higher levels of crop insurance coverage.

The idea of a permanent disaster program may have merit, especially when you consider that Congress has passed legislation to fund ad hoc disaster payment assistance nearly every year for the last 20 years, but we should ask ourselves, if the current expensive farm bill is failing to provide a safety net to farmers when these devastating events do happen, then what is the purpose of the farm bill? Why do we need a new program administered by a separate Federal agency to fulfill what most Americans believe is the core purpose of the legislation before us? We should fix the root problem, namely that the current subsidy system does not work and wastes taxpayer dollars.

If you are now a farmland owner in America, it is highly probable your land will increase in value. Why? Be-

cause a land-owning farmer or agricultural business can count upon receiving substantially more money through subsidies. As a result, you are able to leverage your land and crops to expand. If you are one of hundreds of thousands of farmers in this country who rents land as opposed to owning land, you face a very tough set of circumstances. Your rents are likely to go up each year as the value of the land goes up. Worse still, if you are a young farmer who hopes someday to own land, then your prospects diminish year by year.

As a result, there are young members of farm families who are hopeful that with the reduction or repeal of Federal estate taxes that they might inherit the land. Other young people who are interested in farming are simply out of luck, as it is too difficult to get into the business. As a result, it is predictable that the average age of farmers in this country will continue to increase, as it has been increasing in recent decades. Consider the fact that 6 percent of farmers are younger than 35, while 26 percent are over 65 years of age.

Furthermore, elderly farmers who may be land rich but cash poor will be more inclined to sell their farms as their retirement nest egg. The most likely buyer of that farm is an owner of a larger farm who is in a position to expand, thanks to Government subsidies.

In spite of all the rhetoric and all of the attempts to talk about perpetuating the small family farm or even the medium-sized farm, the facts are that consolidation is increasing, and this bill will perpetuate that cycle. I want to emphasize this point because it reflects the inequity of this entire bill. Our farm policies transfer a great deal of money from ordinary taxpayers to a few farmers. If this transfer from the many to the few produced a stable farm economy, with prospects for greater trade success, perhaps one could argue this approach is more justified. Further, these policies could be justified if they truly did support the lower to middle-class farmer and reduce the number of farm consolidations. I am arguing that our policies promote the exact opposite.

For all of these reasons, Senator FRANK LAUTENBERG and I, along with Senators HATCH, REED, MENENDEZ, CARDIN, COLLINS, DOMENICI, MCCAIN, and WHITEHOUSE are introducing an amendment today that would provide a true safety net for all farmers regardless of what they grow or where they live. For the first time, each farmer would receive, at no cost, either expanded county-based crop insurance policies that would cover 85 percent of expected crop revenue, or 80 percent of a farm's 5-year average adjusted gross revenue.

These subsidized insurance tools already exist, but our reforms would make them more effective and universally used while controlling administrative costs. Farmers would be able to purchase insurance to cover the remainder of their revenue and yields.

The 85 percent county level-based policy simply looks at the expected revenue annually in each county in the United States for crops such as corn, soybeans, wheat, cotton, and rice, but it can be expanded under this bill to any commodity so long as adequate market information is available to satisfy actuarial concerns.

The USDA uses prices from the futures market in late February and multiplies them by past county average crop yields collected by the National Agricultural Statistics Service, which keeps detailed data on virtually every agricultural product produced in the United States. This creates a target price that adjusts either up or down each year to market conditions and yield trends. Farmers receive a safety net payment when the actual county revenue for a crop they are growing falls below 85 percent of the target revenue.

This program ensures that the only incentive to grow a crop is the market, not federally set prices under the farm policies before the Senate today.

For example, in Marion County, IN, where my farm is located, expected yields for corn in 2006 were 146 bushels an acre; the future price for corn in late February 2006 was \$2.59 a bushel. So target revenue for corn was \$378 an acre. After the harvest, USDA found that actual corn yields in Marion County were 140 bushels an acre and that harvest prices were \$3.03 a bushel, producing average revenue of \$424 an acre. Actual revenue exceeded target revenue so that no additional subsidies were paid to corn farmers in Marion County in 2006.

By contrast, corn farmers in Baca County, CO, experienced poor weather. Expected yields were 161 bushels an acre and the future price for corn was \$2.59 a bushel, so expected revenue was \$418 an acre. After the harvest, USDA found that actual yields were much lower at 116 bushels an acre and even though the harvest prices of \$3.03 a bushel were higher than expected, the actual average revenue was \$350 an acre. Since actual revenue was 83 percent of target revenue, corn farmers in Baca County would have received \$5.30 per acre under the safety net, or the difference between actual revenue in that county and the 85 percent guarantee.

The other choice would allow farmers to protect against adverse change in their own historic average revenues. This program looks at the whole farm, recognizing the same risks exist for an apple orchard as the soybean field on the same farm. A farm's 5-year average adjusted revenue is calculated using annual tax forms. The adjusted revenue is essentially a farm's overall revenue minus expenses as indicated on their tax forms. When a farm's adjusted revenue falls below 80 percent of that 5-year average, a safety-net payment makes up the difference. This program is currently operating as a pilot program in a number of States but has

been limited to the amount of revenue that can be covered for some agricultural products such as livestock and forest products. Our bill expands the program nationwide and allows the USDA to include more agricultural products. It also requires the USDA to minimize double payments under situations where farmers may also have products covered by remaining farm support programs, namely the sugar program and the Milk Income Loss Program.

In addition, this bill creates optional risk management accounts that would be available to every farmer and rancher and would work in concert with crop and revenue insurance. Producers who are eligible for direct payments would receive transition payments, phased out over the next 5 years, which would be deposited into their accounts. They would then be eligible to withdraw from their available balance to supplement their income in years when their gross revenue falls below 95 percent of their rolling 5-year average gross revenue. They could invest in a rural enterprise, purchase additional revenue or crop insurance, or upon retirement, utilize it as a farmer retirement account. These accounts provide farmers who are generally asset rich and cash poor greater incentive to save for the future, and will help maintain family farms by providing retirement benefits without forcing a liquidation of farm assets.

The FRESH Act amendment is important because savings from these reforms will allow us to provide an additional \$6.1 billion more than the underlying bill in new investments to assist farmers with conservation practices, encourage rural development, develop renewable energy, expand access to healthy foods for children and consumers, and assist more hungry Americans.

Our amendment provides an additional \$1 billion for important environmental and conservation programs. I am pleased that we were able to expand and improve USDA's voluntary conservation incentives programs, which provide financial and technical assistance to farmers, ranchers and forest landowners who offer to take steps to prevent soil erosion and improve water quality, air quality and wildlife habitat.

Since 2003, roughly two-thirds of farmers seeking assistance through USDA conservation programs have been rejected due to insufficient funding. Most of these conservation programs are cost-share programs. That means that farmers are offering to put their own money into environmental improvements from which the public benefits. We are missing an opportunity to utilize private dollars to produce environmental benefits such as cleaner water and cleaner air when we underfund cost-share conservation programs.

One of the most popular of these programs, the Environmental Quality In-

centives Program, EQIP, has had an application backlog that has averaged \$1.6 billion a year over the past 4 years. Yet the farm bill before us provides no increase in funding for this popular conservation program.

The current farm bill also provides no increase in funding for the Farmland Protection Program. This program is critical because in many areas our working farms and ranches are under tremendous development pressures. From 1992 to 1997, this country lost more than 6 million acres of agricultural land—an area the size of Maryland—to development. And yet this bill doesn't provide the funding needed to assist State and local governments and private land trusts in the important work they do to conserve our Nation's farmland.

Increasing funding for the farm bill's conservation programs also provides another way to make our farm policies more equitable. All producers can be eligible to participate in conservation programs, regardless of what they grow or where they grow it. By contrast, only producers of a handful of commodity crops can participate in commodity programs.

While discussion of commodity policy dominates much of the farm bill debate and discretionary funding, production agriculture remains a comparatively small and shrinking part of the rural economy.

Farm employment has fallen from just over 14 percent of total employment in 1969 to 6 percent in 2005. The number of counties with farm employment accounting for 20 percent or more of total employment has shrunk dramatically from 1,148 in 1969 to 348 in 2005. Furthermore, only 1 in 75 Americans lives on a farm today, and nearly 90 percent of total farm household income comes from off-farm sources.

Despite this fundamental shift, the 2002 farm bill committed 69 percent of total spending to commodity payments, plus another 13 percent to conservation payments. In all, four-fifths of total funding went to a select few farmers, while only 0.7 percent went to rural development initiatives aimed at boosting rural economies.

We now have evidence which suggests that direct payments to farmers have little positive impact on rural economies. A recent study revealed that most payment-dependent counties did not even match the national average in terms of job growth from 1992 to 2002. In fact, many experienced losses during that time.

Furthermore, most of these payment-dependent counties experienced population losses during that same 10-year period. Such job and population loss figures suggest that our current system of support for rural communities, which relies on subsidies like direct payments, does not work.

I am also pleased that the amendment we are offering expands agricultural markets and decreases oil dependency by dramatically increasing

research and development efforts for cellulosic ethanol and other renewable fuels, and expanding clean renewable energy opportunities to all of our rural areas. This is an area of considerable interest to the chairman who has been a stalwart supporter.

Today's growth in ethanol production is creating jobs and bringing new sources of revenue into our communities. Because of our energy demands, we are witness to a palpable sense of optimism in rural communities for economic growth in areas that have stagnated under the current farm bill. Failure to give clear and strong Government commitment in the farm bill to developing biofuels from diverse feedstocks has unnecessarily confined new markets to midwestern States rich in corn. Spreading the economic benefits of biofuels nationwide will require breakthroughs in technologies and agricultural techniques to make more fuels from farm, municipal, and industrial wastes available from coast to coast. Strong support in the farm bill will help galvanize private investment and bring jobs across the country.

Yet the opportunity before us involves more than economic growth. Dramatic advancements in biofuels will help build a more secure and self-reliant America by reducing our dependence on foreign oil. Global competition for oil continues to grow as demand soars and oil-rich States tighten their control over supplies. Already, we have witnessed Russia cut its exports to selected countries for political gain, and the Governments of Iran and Venezuela have threatened to do the same. Each year, Americans spend hundreds of billions of dollars to import oil. Some of that money enriches authoritarian governments that suppress their own people and work against the United States. Meanwhile, oil infrastructure is being targeted by terrorists. In today's tight oil market even a small disruption in oil supplies could cause shortages and send prices much higher than the \$90-plus per barrel prices Americans have paid in recent weeks.

Biofuels will not make America completely independent of energy imports, but they can strengthen our leverage over oil-rich regimes hostile to the United States, give greater freedom to our policy options in the Middle East, help protect our economy, and foster rural development.

Reaping the economic and energy security benefits of biofuels and other rural, renewable energy requires breakthroughs in research and incentives for infrastructure development. Our amendment provides an additional half billion dollars to transform renewable energy's opportunity into reality.

During the markup in the Agriculture Committee, I offered an amendment to increase nutrition funding in the farm bill by about \$1.6 billion through cuts to direct payments.

Unfortunately, my amendment was defeated 17-4. However, the amendment

sparked constructive, bipartisan debate on the importance of strong funding for the nutrition programs that provide a safety net for people across our country who are on the cusp of poverty. I am thankful to Senators HARKIN and CHAMBLISS for taking that discussion seriously, and as a result, using the savings generated from a committee change to the underlying bill to provide additional funding for the nutrition title of this farm bill.

But even as I applaud the efforts of Agriculture Committee members for their attention to nutrition programs, I have serious concerns that the nutrition program in this bill is essentially only authorized for 5 years. At the end of the 5 years, funding for nutrition programs drops dramatically. In 2012, we would then be faced with having to manipulate the budget to find additional funding for these programs or vulnerable Americans would lose this much-needed assistance. This is because the agriculture bill before us is "front-loading" spending during the first 5 years and then virtually zeroing out nutrition spending for years 6 through 10 so that the bill will come out budget neutral, on paper, but will cost taxpayers handsomely in reality. This is just one of many budgetary tricks performed so that the scoring works out favorably without regard to the practical application of such maneuvers.

In our amendment, nutrition programs would not end. In fact, we increase funding for these important programs by \$2 billion over the underlying farm bill and make these funding increases permanent. We cannot and should not build a safety net with holes.

This leads me to another benefit of our reform proposal. Our amendment provides critical funding for each of these priorities and yet pays for itself from the existing agricultural budget passed by Congress without employing deceptive budgetary maneuvers. In fact, our bill will save taxpayers \$4 billion.

Unfortunately, this is not the case with the underlying bill, and if you take a thorough look, you realize just how precarious that bill's budget situation truly is. In fact, the Bush administration's Statement of Administrative Policy highlighted a number of budget gimmicks used to make the farm bill pay-go compliant, at least on paper.

The FRESH Act amendment is fully paid for, fiscally responsible and provides a framework for growth for farmers and rural communities. Furthermore, the long-term budgetary savings from our proposal will allow for us to make considerable investments in key priority areas.

There is an inappropriate political assumption that agriculture policy is impenetrable for consumers, taxpayers, the poor, and the vast majority of Americans who are being asked to pay for subsidies, while getting little in return. Even if only a small number of

farmers in a State raise a program crop or one of the protected specialty crops like milk, sugar, or peanuts, their focused advocacy somehow has more political influence than the broader well-being of consumers and taxpayers. In short, those who benefit from current agriculture programs are virtually the only participants in the debate.

This fact is probably best illustrated by the fact that one of the most contentious debates on this bill has been whether farmers with income of over \$1 million, after farm expenses have been paid, should continue to receive subsidies. I have even seen media reports that indicate that if a payment limitation amendment were passed, the farm bill could be filibustered. Keep in mind that the median household income for Americans for 2006 was \$48,200 and the average income of a food stamp recipient is less than \$10,000.

There is also an ongoing reluctance to consider change. Members will say, "Farming is conservative by nature. You can't demand too much change." In 2002, I offered a similar type of reform proposal and opponents argued that the proposal was "too new, too radical, and required too much change."

You will hear that same baseless argument today. Mr. President and Members of the Senate, when is the time for reform? When will we fix this broken system? When will we act on the clear evidence before us?

As Senators, we clearly must understand our responsibility. Whether we understand all the complexities of our current farm programs, we know where the money goes. The bulk of the money in the underlying farm bill goes to a very few farmers, a very few. That has been clear throughout. This is not a great humanitarian effort. This does not save the family farmer, the low-income farmer, or even the middle-income farmer.

This bill is about making choices. And it is incredible to me that with all of the budgetary pressures that we are facing to fund critical needs such as providing better health insurance coverage for Americans, protecting Social Security and pension savings, improving education, increasing border security, and providing our men and women in the Armed Forces with appropriate pay and equipment that we would consider a bill which enriches so few individuals.

I believe that this year's farm bill debate is a good time to begin changing these dynamics.

This year an unconventional alliance of conservation, humanitarian, business and taxpayer advocate groups has entered the fray with success in framing the issue and building support for the FRESH Act. They represent the broadest ever political support for change.

Newspapers in at least 41 States have written editorials in support of changing our farm programs to a fair, trade

compliant and fiscally responsible system. I have distributed these articles to my colleagues.

Perhaps more importantly, there has never been a better time for farmers to change. Thanks to strong foreign and domestic demand for energy crops, net farm income is forecast to be \$87 billion, up \$28 billion from 2006 and \$30 billion above the average for the previous 10 years and setting a new record for new farm income.

As a result, average farm household income is projected to be almost \$87,000 in 2007, up 8 percent from 2006, 15 percent above the 5-year average between 2002 and 2006, and well above median U.S. household income. Farm revenue may be high today but this will not always be the case. It is critical that we have an appropriate safety net in place to assist these farmers during times of need.

Agriculture policy is too important for rural America and the economic and budgetary health of our country to continue the current misguided path. Our amendment provides a much more equitable approach, produces higher net farm income for farmers, increases farm exports, avoids stimulating overproduction, and gives more emphasis to environmental, nutritional, energy security and research concerns. More importantly, this proposal will protect the family farmer through a strong safety net and encourage rural development in a fiscally responsible and trade compliant manner.

The PRESIDING OFFICER (Mr. CASEY.) The Senator from Montana.

AMENDMENT NO. 3666 TO AMENDMENT NO. 3500

Mr. TESTER. Mr. President, I ask unanimous consent to temporarily set aside amendment 3711 and call up amendment No. 3666, and further ask unanimous consent that the time not be charged against the time allocated for amendment 3711.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Montana [Mr. TESTER], for himself, Mr. GRASSLEY and Mr. HARKIN, proposes an amendment numbered 3666 to amendment No. 3500.

Mr. TESTER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To modify the provision relating to unlawful practices under the Packers and Stockyards Act)

On page 1232, strike lines 9 through 12 and insert the following:

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(2) in subsections (c), (d), (e), and (g) (as redesignated by paragraph (1)), by striking the semicolon each place it appears and inserting “, regardless of any alleged business justification;”; and

(3) by inserting after subsection (e) the following:

On page 1233, line 20, strike “subsection (a)” and insert “subsection (a)(3)”.

On page 1234, line 2, strike “subsection (a)” and insert “subsection (a)(3)”.

Mr. TESTER. Mr. President, the Packers and Stockyards Act of 1921 prohibits meatpackers from engaging in any course of business or doing any act for the purpose or with the effect of manipulating or controlling prices. This act was passed in Congress way back when it was determined that the Sherman Act, the Clayton Act, and the FTC Act were insufficient to promote competitive markets.

Unfortunately, back in 2005, three judges decided to rewrite the Packers and Stockyards Act instead of interpreting this statute. What this amendment will do is reinstate the Packers and Stockyards Act, and with that reinstate free market competition in the marketplace.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the time I am talking not be charged against the time for debate with respect to the Lugar-Lautenberg amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3660 TO AMENDMENT NO. 3500

Mr. BAUCUS. Mr. President, I ask unanimous consent that the pending amendment be set aside, and I call up amendment No. 3660, and ask unanimous consent that once the amendment is reported by number, I be recognized to speak for up to 5 minutes, and that at the conclusion of my statement, the amendment be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON of Florida. Reserving the right to object—

Mr. CHAMBLISS. Reserving the right to object, would the Senator mind amending his unanimous consent request to provide for Senator NELSON to speak for 5 minutes and Senator MARTINEZ to speak for up to 5 minutes?

Mr. BAUCUS. That is fine as long as the time is not being charged.

Mr. LAUTENBERG. I have no objection as long as this time is not charged against the pending amendment.

The PRESIDING OFFICER. Is there objection to the request as modified?

Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows: The Senator from Montana [Mr. BAUCUS], for himself and Mr. CRAPO, proposes an amendment numbered 3660 to amendment No. 3500.

The amendment is as follows:

(Purpose: To modify the trade title)

At the appropriate place in title III, insert the following:

**SEC. 3 . AGRICULTURAL SUPPLY.**

(a) IN GENERAL.—Section 902(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201(1)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1); and

(3) by inserting after paragraph (1) the following:

“(2) AGRICULTURAL SUPPLY.—The term ‘agricultural supply’ includes—

“(A) agricultural commodities; and  
“(B)(i) agriculture-related processing equipment;

“(ii) agriculture-related machinery; and  
“(iii) other capital goods related to the storage or handling of agricultural commodities or products.”.

(b) CONFORMING AMENDMENTS.—The Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201 et seq.) is amended—

(1) by striking “agricultural commodities” each place it appears and inserting “agricultural supplies”; and

(2) in section 904(2), by striking “agricultural commodity” and inserting “agricultural supply”; and

(3) in section 910(a), in the subsection heading, by striking “AGRICULTURAL COMMODITIES” and inserting “AGRICULTURAL SUPPLIES”.

**SEC. 3 . CLARIFICATION OF PAYMENT TERMS UNDER TSREEA.**

Section 908(b)(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7207(b)(1)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately;

(2) striking “(1) IN GENERAL.—No United States person” and inserting the following:

“(1) PROHIBITION.—

“(A) IN GENERAL.—No United States person”; and

(3) in the undesignated matter following clause (ii) (as redesignated by paragraph (1)), by striking “Nothing in this paragraph” and inserting the following:

“(B) DEFINITION OF PAYMENT OF CASH IN ADVANCE.—Notwithstanding any other provision of law, for purposes of this paragraph, the term ‘payment of cash in advance’ means only that payment must be received by the seller of an agricultural supply to Cuba or any person in Cuba before surrendering physical possession of the agricultural supply.

“(C) REGULATIONS.—The Secretary of the Treasury shall publish in the Federal Register a description of the contents of this section as a clarification of the regulations of the Secretary regarding sales under this title to Cuba.

“(D) CLARIFICATION.—Nothing in this paragraph”.

**SEC. 3 . REQUIREMENTS RELATING TO CERTAIN TRAVEL-RELATED TRANSACTIONS WITH CUBA.**

Section 910 of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7208) is amended by adding at the end the following:

“(C) GENERAL LICENSE AUTHORITY FOR TRAVEL-RELATED EXPENDITURES IN CUBA BY PERSONS ENGAGING IN TSREEA-AUTHORIZED SALES AND MARKETING ACTIVITIES.—

“(1) DEFINITION OF SALES AND MARKETING ACTIVITY.—

“(A) IN GENERAL.—In this subsection, the term ‘sales and marketing activity’ means any activity with respect to travel to, from, or within Cuba that is undertaken by United States persons—

“(i) to explore the market in Cuba for products authorized under this title; or

“(ii) to engage in sales activities with respect to such products.

“(B) INCLUSION.—The term ‘sales and marketing activity’ includes exhibiting, negotiating, marketing, surveying the market, and delivering and servicing products authorized under this title.

“(2) AUTHORIZATION.—The Secretary of the Treasury shall authorize under a general license the travel-related transactions listed in paragraph (c) of section 515.560 of title 31, Code of Federal Regulations (as in effect on June 1, 2007), for travel to, from, or within Cuba in connection with sales and marketing

activities involving products approved for sale under this title.

“(3) AUTHORIZED PERSONS.—Persons authorized to travel to Cuba under paragraph (2) shall include—

“(A) producers of products authorized under this title;

“(B) distributors of such products; and

“(C) representatives of trade organizations that promote the interests of producers and distributors of such products.

“(4) REGULATIONS.—The Secretary of the Treasury shall promulgate such rules and regulations as are necessary to carry out this subsection.”

**SEC. 3. AUTHORIZATION OF DIRECT TRANSFERS BETWEEN CUBAN AND UNITED STATES FINANCIAL INSTITUTIONS.**

The Trade Sanctions Reform and Export Enhancement Act of 2000 is amended—

(1) by redesignating section 911 (22 U.S.C. 7201 note; Public Law 106-387) as section 912; and

(2) by inserting after section 910 (22 U.S.C. 7209) the following:

**“SEC. 911. AUTHORIZATION OF DIRECT TRANSFERS BETWEEN CUBAN AND UNITED STATES FINANCIAL INSTITUTIONS.**

“Notwithstanding any other provision of law (including regulations), the President shall not restrict direct transfers from Cuban to United States financial institutions executed in payment for products authorized by this Act.”

**SEC. 3. SENSE OF CONGRESS THAT PROSPECTIVE PURCHASERS OF TSREEA PRODUCTS SHOULD BE ISSUED VISAS TO ENTER THE UNITED STATES.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of State should issue visas for temporary entry into the United States of Cuban nationals who demonstrate a full itinerary of purchasing activities relating to the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201 et seq.) while in the United States.

(b) PERIODIC REPORTS.—Not later than 45 days after the date of enactment of this Act and every 90 days thereafter, the Secretary of State shall submit to the Committees on Agriculture, Foreign Affairs, and Ways and Means of the House of Representatives and the Committees on Agriculture, Nutrition, and Forestry, Finance, and Foreign Relations of the Senate a report that describes any actions of the Secretary relating to this section, including—

(1) a full description of each application received from a Cuban national to travel to the United States to engage in purchasing activities described in subsection (a); and

(2) a description of the disposition of each such application.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, more than 200 years ago, Richard Whately, an English logician, said:

A man is called selfish not for pursuing his own good, but for neglecting his neighbor's.

Not only does our current Cuba policy make it difficult to pursue our own good, we are also guilty of neglecting the good of one of our closest neighbors.

Today I am offering an amendment to enable America's farmers and ranchers to sell their wheat, potatoes, and dairy products to a neighbor only 90 miles away and a market of 11 million consumers. That market, of course, is Cuba.

In the year 2000, Congress authorized limited sales of food and medical goods

to Cuba under the Trade Sanctions Reform and Export Enhancement Act, otherwise known as TSREEA. That law permitted United States farmers and ranchers to engage in cash-based sales of their goods to Cuban buyers.

Under this new law, our agricultural trade with Cuba prospered. At its peak, American farmers and ranchers, including those from Montana, sold over \$400 million worth of peas, beef, and wheat to Cuba in 1 year. In fact, in the year 2003, I led a trade mission to Cuba and walked away with a \$10.4 million deal for Montana. Cuba bought \$10.4 million of Montana wheat, beans, and peas. I went back a year later for \$15 million worth of Montana goods. But then things changed. In 2005 the Treasury Department issued rules to stymie such sales. Under the guise of clarifying the intent of Congress, the Treasury Department instead undermined the express will of Congress by restricting the ability of U.S. farmers and ranchers to engage in cash-basis sales. Specifically, the new Treasury rule requires Cuban buyers to pay for their goods before they leave U.S. ports. What is the effect of that? That converts the goods to Cuban assets, which makes them vulnerable to seizure in American ports to satisfy unrelated American claims against the Cuban Government.

In order for American farmers and ranchers to sell their wheat, beef, and pork to Cuba, they must work with foreign banks, and surrender a portion of their profits to costly fees. Not surprisingly, since Treasury's rule, cash-basis sales of agricultural products to Cuba have slowed to a trickle. It made implementation of Montana's 2004 agreement with Cuba virtually impossible.

I think I know the intent of Congress. I was here when that act was passed. I can assure you that we do not need Treasury's "clarification." Congress did not approve legislation to expand trade with Cuba with the expectation that the administration would seek to restrict it. Congress does not approve legislation to enable the sales of products by our farmers and ranchers, while at the same time making it impossible, by the Treasury Department, for them to receive payment.

These rules have continued to stifle the ability of farmers to sell their products to Cubans on a cash basis. They have encouraged foreign banks to take a cut of every United States ag deal with Cuba. They have required farmers and ranchers to wait weeks and months to get a license to travel to Cuba to meet potential buyers. They prevent Cuban buyers, who want to come to this country to meet with producers, who are going to buy the American products, from entering our country.

This amendment would change that. It restores the true intent of Congress. It simplifies the cash transactions, and expands opportunities for U.S. farmers and ranchers. It enables direct transfers from American banks to Cuban

banks. It allows American farmers and ranchers to travel to Cuba to sell their products, and it encourages Cuban buyers to come to the United States to see our first-class products for themselves.

These provisions are plain, simple, common sense. These provisions are sound policy. I had hoped we could have a discussion and a vote on this amendment. But, unfortunately, some Members of this body have threatened to hold up the farm bill if we include, or even vote on, these important provisions.

AMENDMENT NO. 3660 TO AMENDMENT NO. 3500  
WITHDRAWN.

In the interest of moving the farm bill forward, it is with deep regret that I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida.

Mr. NELSON of FLORIDA. Mr. President, Senator BAUCUS and I see eye to eye on about 95 percent of the issues in front of the Senate. This is one we do not agree on.

I thank Senator BAUCUS for withdrawing his amendment. He has been an outspoken and very articulate spokesman for his point of view of wanting agricultural products to go to Cuba. And coming from his State of Montana, I certainly understand that.

There is a greater issue here, in this Senator's opinion, and that is the issue of the foreign policy of the United States.

This Senator believes this issue ought to be a foreign policy debate on the future of the relationship of the United States with Cuba. There will be an appropriate forum in which we can engage in that debate. I believe that debate will come sooner than later because there is change in the air and change on the island of Cuba. Fidel is transitioning out. Raul is transitioning in. There is a great deal of unrest among the people, increasingly in a police state that has been so effective in tamping down any dissent over the course of the last four decades. Increasingly we are seeing the people of Cuba start to resist, to dissent, and to do it openly. We are right on the cusp of the Castro government starting to disintegrate and being unable to cow the people by imprisoning them as they have in the past.

What, therefore, should be the foreign policy of the United States when we are right at this moment of change? I think we ought to have a deliberative discussion about that issue, instead of on the farm bill. That is why I am thanking the Senator from Montana for withdrawing the amendment. I look forward to that debate. I look forward to this extraordinary change that is occurring on the island of Cuba so that ultimately those people will be able to break the shackles of bondage they have been in, and we can have a normal relationship between the Government of Cuba and the Government of the United States when that country finally does become free. That is our

hope, our prayer. That should be the goal of the foreign policy of the United States. It is within our grasp shortly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MARTINEZ. Mr. President, I join with my senior colleague in thanking the distinguished Senator from Montana for withdrawing this amendment which was ill-timed on this farm bill. Much important farm legislation and related items are in this bill. To now inject into it the very difficult issue, as my senior colleague well described, of a very fine-tuned policy, a foreign policy issue with Cuba into this bill would be a grave mistake.

I want to speak in a little broader context about the relationship between the United States and Cuba. It is one that is rooted—and the reason this proposed amendment would be so wrong—in the steps the Castro government took against U.S. economic interests on the island almost a half century ago, all uncompensated, never accounted for, and never taken care of. It is a debt that still exists. Legitimate business interests had their property taken from them without just compensation. That is why we have the policy we have today.

The question is, how can we influence events, how can we better help the Cuban people to overthrow the shackles that have held them in prison for 47 years?

The fact is, there is an awful lot happening on the island. People are increasingly saying enough is enough. It is time for change. *Cimbio*, the Spanish word for change, on this little bracelet that the people around the island are wearing increasingly represents the desire of the Cuban people. The Cuban regime, true to its nature, continues to repress the people. Here is why we should not reward the Cuban Government with a change in U.S. policy.

Yesterday, Human Rights Day around the world was celebrated in Cuba by a small group of people seeking to simply peacefully march to Ghandi Park, a park where Ghandi, that peaceful icon of the world, is represented. On their way there, Government thugs beat and arrested them, took them into unmarked sedans, and removed them from the area. So threatened is that Government that they also arrested 70 young people a month or so ago for wearing this simple bracelet. But that is not all. The most unheard of human rights abuse has taken place in recent days. In addition to the illegitimate detention of political prisoners in the most unspeakable conditions is the fact that the Cuban Government thugs entered a Catholic Church just a few days ago and arrested 18 young people who were there exercising the very limited right they have to at least attend church and to hear a sermon and to maybe have conversations about their hopes and dreams. The Cuban Government invaded that sacred space, took the peo-

ple and arrested them. These are just a few examples of why this Government so illegitimately each day loses a little more of its grip on the people.

I believe the time will come when we can trade with Cuba, when we can have open relationships, and when we can see the fruits of that relationship benefit the people of Cuba, not just the Government structure with which America's farmers are dealing. We should not give credit to the Cuban Government. We know these cash sales are the only way we can be sure our people will be paid, and we should not enhance or increase the opportunity for the Cuban Government, which is the only owner of anything in Cuba. No one owns any property in Cuba but the Cuban Government. To trade with Cuba does not mean trading with Cuban farmers. It means trading with the Cuban Government apparatus. The Cuban people only see the meager drop-pings from the table of the tourists who go to Cuba with whom they are not allowed to even have a conversation.

Oftentimes people say: If we only opened the opportunity for people to freely travel, if we only allowed for the contact Americans would have with ordinary Cubans, everything would change. There are Canadian tourists, British, Italian. Their impact upon the Cuban people has not changed a thing because the tourists are prohibited from interacting with the people themselves. The people are just their servants. The people are the people who facilitate a fun time in the sun, but they are not allowed to have any political influence upon the people of Cuba.

I know there was a hearing this morning. I would love to comment further on that because much was said there which I believe to be completely wrong. But I thank the Senator from Kentucky, Mr. BUNNING, who, in this hearing this morning, spoke about his 5 months in Cuba. I saw Senator BUNNING when he was in Cuba during that time as a young boy. I had the pleasure of going to a stadium and watching him pitch, which was a thrill to me. Little did I know I would have the honor of serving with him in the Senate. I thank the Senator from Kentucky for his very good words and his clear understanding of the Cuban situation as it is today.

I thank the Senator from Montana for withdrawing an ill-timed and ill-advised amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. I ask unanimous consent that whatever time is used during the quorum be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3720 TO AMENDMENT NO. 3500

Mr. SCHUMER. Mr. President, I ask unanimous consent that the pending amendment be set aside so I may call up my amendment and that the time I use to describe my amendment not be charged against the time for the Senators from New Jersey and Indiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes an amendment numbered 3720 to amendment No. 3500.

Mr. SCHUMER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To improve crop insurance and use resulting savings to increase funding for certain conservation programs)

On page 272, after line 24, add the following:

**SEC. 19 — SHARE OF RISK; REIMBURSEMENT RATE; FUNDING AND ADMINISTRATION.**

(a) SHARE OF RISK.—

(1) IN GENERAL.—Section 508(k)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended—

(A) by striking “require the reinsured” and inserting the following: “require—

“(A) the reinsured”;

(B) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(B)(i) the cumulative underwriting gain or loss, and the associated premium and losses with such amount, calculated under any reinsurance agreement (except livestock) ceded to the Corporation by each approved insurance provider to be not less than 12.5 percent; and

“(ii) the Corporation to pay a ceding commission to reinsured companies of 2 percent of the premium used to define the loss ratio for the book of business of the approved insurance provider that is described in clause (i).”.

(2) CONFORMING AMENDMENTS.—Section 516(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2)) is amended by adding at the end the following:

“(E) Costs associated with the ceding commissions described in section 508(k)(3)(B)(ii).”.

(3) EFFECTIVE DATE.—The amendments made by this section take effect on June 30, 2008.

(b) REIMBURSEMENT RATE.—Notwithstanding section 1911, section 508(k)(4) of the Federal Crop Insurance Act (7 U.S.C.

1508(k)(4) (as amended by section 1906(2)) is amended—

(1) in subparagraph (A), by striking “Except as provided in subparagraph (B)” and inserting “Except as otherwise provided in this paragraph”; and

(2) by adding at the end the following:

“(E) REIMBURSEMENT RATE REDUCTION.—For each of the 2009 and subsequent reinsurance years, the reimbursement rates for administrative and operating costs shall be 4.0 percentage points below the rates in effect as of the date of enactment of the Food and Energy Security Act of 2007 for all crop insurance policies used to define loss ratio, except that the reduction shall not apply in a reinsurance year to the total premium written in a State in which the State loss ratio is greater than 1.2.

“(F) REIMBURSEMENT RATE FOR AREA POLICIES AND PLANS OF INSURANCE.—Notwithstanding subparagraphs (A) through (E), for each of the 2009 and subsequent reinsurance years, the reimbursement rate for area policies and plans of insurance shall be 17 percent of the premium used to define loss ratio for that reinsurance year.”.

(c) FUNDING AND ADMINISTRATION.—Notwithstanding section 2401, section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “2007” and inserting “2012”; and

(2) by striking paragraphs (3) through (7) and inserting the following:

“(3) The conservation security program under subchapter A of chapter 2, using \$2,317,000,000 to administer contracts entered into as of the day before the date of enactment of the Food and Energy Security Act of 2007, to remain available until expended.

“(4) The conservation stewardship program under subchapter B of chapter 6.

“(5) The farmland protection program under subchapter B of chapter 2, using, to the maximum extent practicable, \$110,000,000 for each of fiscal years 2008 through 2012.

“(6) The grassland reserve program under chapter C of chapter 2, using, to the maximum extent practicable, \$300,000,000 for the period of fiscal years 2008 through 2012.

“(7) The environmental quality incentives program under chapter 4, using, to the maximum extent practicable—

“(A) \$1,345,000,000 for fiscal year 2008;

“(B) \$1,350,000,000 for fiscal year 2009;

“(C) \$1,385,000,000 for fiscal year 2010; and

“(D) \$1,420,000,000 for each of fiscal years 2011 and 2012.”.

Mr. SCHUMER. Mr. President, I rise today to offer an amendment to Senator HARKIN’s substitute amendment to the farm bill. I commend Chairman HARKIN, Senator CHAMBLISS, and all the members of the Agriculture Committee for their hard work during the drafting of this farm bill.

I particularly thank the committee for its commitment to making this bill the most fair in our country’s history. The committee’s farm bill includes all agricultural producers, not just growers of commodity crops. With new programs for specialty growers and expanded protections for dairy and livestock producers, this bill is truly a winner for all parts of the country.

I thank my colleague from Iowa once again, now that he is in the Chamber, for his great work and for being inclusive as he always is.

I am here this morning offering an amendment I believe builds on the spirit of the committee’s bill. This amend-

ment increases funding for vital conservation programs that are important to all working farmers. It provides an additional \$480 million over 5 years to the Environmental Quality Incentives Program, EQIP; an additional \$65 million over 5 years to the Farmland Protection Program; and an additional \$60 million to the Grassland Reserve Program.

To offset these increased payments, the amendment makes small reductions in the Federal subsidies of crop insurance. It increases the cut in administration and operations payments to 4 percent, above the committee’s 2 percent, and retains the important snap-back provision Senator ROBERTS introduced.

The amendment also raises the underwriting gain share to 12.5 percent. That is the level to which the House raised it.

Working farmers are the most important stewards of our natural resources. Farmers and ranchers own 70 percent of the land in the country. They deserve help from the Government preserving these resources because all Americans benefit from them.

I would also like to add, I am in full support of the amendment—I am a cosponsor, in fact, of the amendment—the Senator from Ohio, Mr. BROWN, has offered. This amendment is along the same lines, and I will not ask for a vote on it if his amendment succeeds because I think it is an outstanding amendment.

With that, I yield back the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RECESS

Mr. SCHUMER. Mr. President, I ask unanimous consent that the Senate now recess until 2:15 p.m.

There being no objection, the Senate, at 12:26 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

#### FARM, NUTRITION, AND BIOENERGY ACT OF 2007—Continued

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, how much time remains?

The PRESIDING OFFICER. There is 41 minutes on the Republican side and 84 minutes on the majority side.

Mr. CONRAD. I wish to be alerted by the Chair when I have consumed 10 minutes.

The PRESIDING OFFICER. The Chair will be happy to do that.

Mr. CONRAD. Mr. President, I want to respond to the proposal by Senator LUGAR and Senator LAUTENBERG to substitute the Food and Energy Security Act of 2007 with the so-called FRESH Act.

Senator LUGAR and Senator LAUTENBERG are senior Members of this body, very much respected by Members on both sides. I have enormous respect and admiration, and I even have affection for both of them. But I must say, when it comes to farm policy, we have a stark disagreement. Senator LUGAR believes we would be better off if we simply disposed of the current farm safety net in favor of a revenue program with no price floor. Savings would be invested in conservation, nutrition, and specialty crop agriculture. I believe those are good priorities, in terms of where the money would go, but I remind Members of the Senate that the work of the committee—by the way, the bill came out of committee without a single dissenting vote. It is true we didn’t have a rollcall, so I don’t know how members might have expressed themselves, but nobody asked for a rollcall or asked to be recorded in the negative.

The fact is we increased each of those areas that is addressed in the FRESH Act. We increased conservation over the baseline by \$4.5 billion. We increased nutrition by \$5.3 billion over the baseline. We increased specialty crop resources by \$2.5 billion. Those are all very large increases. The biggest percentage increase went for conservation.

When it comes to investing in the things Senators LUGAR and LAUTENBERG care about, the committee did a good job. So if this is not about investments in those areas, what is the real difference? I don’t think this bill is about resources for other areas; I think it is largely about finding a way to gut existing commodity programs.

I have heard statements in support of the FRESH Act that amount to broadsides against existing policy. So let me respond to some of the arguments we have heard from the other side. Let’s examine the attacks on the distribution of farm program benefits.

The critics say only 43 percent of all farms received payments. The critics say that 57 percent of farms unfairly operate without a safety net. The critics say the largest 8 percent of all farms receive 58 percent of the farm program benefits. All of those statements have some element of truth, but they don’t tell the whole story. They don’t come close to telling the whole story. In fact, taken alone, I think they completely misrepresent the reality of the farm program. Let’s look at each of these claims in turn.

According to the Economic Research Service, farming operations receiving no Government payments had an average household income of over \$77,000 per year. But the farm income portion of that was only \$1,000. So when the assertion is made that almost half of the