

Senate Passes Farm Legislation

In February, the Senate voted 58-40 to send its version of omnibus farm legislation to Conference with the House. Major features for soybeans in the five-year measure include:

- A \$5.75/bu. income support level, including a \$5.20/bu. loan rate and a \$0.55/bu. fixed payment for 2002 and 2003 crops. The fixed payment is reduced to \$0.275 in 2004, and to \$0.138 in 2006, as the \$5.75 level continues to provide counter-cyclical income support during years of low prices.
- Flexibility for farmers to either include soybeans in their current base acreage, or to update their bases to average crop plantings in 1996-2000.
- Updated payment yields based on the average in 1998-2001, dropping the lowest year and any

years in which the crop was not produced.

- An increase in mandatory funding for the Foreign Market Development (FMD) Cooperator program to \$42.5 million from the current level of \$33 million.
- Annual funding of \$16 million for a new Biotechnology and Agricultural Trade (BAT) program to conduct outreach on the benefits of biotech with developing countries, a proposal initiated by ASA.

The bill also contains a highly controversial payment limitation provision that ASA opposes. Under its terms, individual farmers will be limited to \$225,000 annually, while payments to married couples will be limited to \$275,000.

Following Senate passage of the legislation it moved to a House-Senate Conference, where

differences are reconciled with a House bill that provides significantly less support for soybeans. Members of Congress have indicated they want to finish the House-Senate Conference before the Easter recess begins on March 22, in time for the bill to take effect with 2002 crops.

"ASA urges Conferees for both the Senate and the House to work quickly so the new farm bill can be effective with this year's crops," said ASA President Bart Ruth, a grower from Rising City, Neb. "Since the Department of Agriculture has not announced loan rate levels for 2002 crops, producers don't know what their safety net will be when they plant this Spring." Ruth concluded that "soybean farmers will work closely with Conferees to ensure that the final product treats all producers and all crops fairly and equitably."

ASA Pleaded Senate Committee Adopts Biodiesel Tax Amendment

ASA applauds action by the Senate Finance Committee in February to include biodiesel tax provisions in its energy tax bill. The biodiesel amendment, offered by Senators Blanche Lambert Lincoln (D-AR) and Chuck Grassley (R-IA), provides a 1-cent per gallon reduction in the diesel excise tax for every percent of biodiesel included in blends with diesel, up to a maximum of 20 percent.

"This is a very important step by the Senate Finance Committee that shows a commitment to biodiesel - a renewable fuel produced by U.S. soybean farmers," said ASA President Bart Ruth. "Biodiesel offers the greatest potential for removing surplus oil from the market, which will result in higher prices for soybeans."

Soybean and other oilseed prices continue to be at historic lows due to large surpluses of vegetable oils in the world market. U.S. soy oil stocks are currently a record 2.5 billion pounds. Due to this large surplus, soy oil prices are down by a third since 1997, and soybean prices are about 40 percent lower per bushel.

"Low soybean prices have resulted in more than \$3 billion in outlays under marketing loan programs each of the last three years," Ruth said. "The biodiesel tax incentive will promote additional use of biodiesel, which will remove surplus soybean oil from the market, help raise soybean prices and lower the cost of the soybean marketing loan."

The biodiesel tax provisions will be rolled into a comprehensive energy bill. Biodiesel is also an eligible fuel in a 5 billion gallon renewable standard included in the major energy package.

Record Grower Attendance at 2002 Commodity Classic

A record number of corn and soybean growers attended the seventh annual Commodity Classic, the annual convention and trade show of the American Soybean Association (ASA) and the National Corn Growers Association (NCGA). There were 1,310 growers at 2002 Commodity Classic, held at the Opryland Hotel and Convention Center in Nashville, Tenn., Feb. 21-23.

A total of 3,900 people participated in Commodity Classic, which included a trade show with 624 booths representing 176 agriculture related businesses and organizations.

Agriculture Secretary Ann Veneman was the featured guest speaker at the General Session on Feb. 22. Other highlights of the convention were seminars on such topics as international exports, renewable fuels, production techniques, new products, the 2002 farm bill and marketing.

On the final night of Commodity Classic, there was a special evening of entertainment with singer Louise Mandrell and the band, Riders In The Sky.

"We are very pleased with the success of this year's Commodity Classic," said ASA President Bart Ruth, a producer from Rising City, Neb. "The record number of growers in attendance is a signal that an increasing number of producers are eager for the up-to-date and cutting-edge information and ideas that Commodity Classic offers to help them do an even better job on their farms."

The ASA Awards banquet was held February 21, with awards presented in a variety of categories. The "Industry Merit" award went to Dr. Lanny Ashlock, Extension Agronomist with the Arkansas Cooperative Extension Service, the "Agribusiness" award was given to the Honorable Lascelles Chin,

President/Owner of Lasco Foods, and a "Special Meritorious" award went to Allen Johnson, Chief Agricultural Negotiator for the Office of the U.S. Trade Representative. ASA presented the "Lifetime Achievement – Membership" award to John Eckert, a Board Director of the Minnesota Soybean Growers Association and the "Lifetime Achievement – Association" award was presented to David Erickson, a soybean producer from Altona, Illinois, and past-president of ASA.

In addition, four regional and one national Conservation Legacy Awards were presented at the banquet, along with various ASA membership and recruitment awards.

Next year's Commodity Classic will be held in Charlotte, North Carolina, February 27 - March 1, 2003.



On February 21, the Conservation Legacy Awards, sponsored by ASA, Monsanto and Soybean Digest, were presented to four regional winners and a national winner, during the 2002 Commodity Classic at the Opryland Hotel and Convention Center in Nashville, Tenn. (L to R) ASA Chairman Tony Anderson; Northeastern Region winner Mark Watkins and his wife Marsha Watkins; Midwest Region and National winner Sandy Ludeman and his wife Peggy Ludeman; Western Region winner Jerry Newsham and his wife Bobbie Newsham; Southern Region winner Marc Curtis and his wife Sheryl Curtis; Soybean Digest Editor Greg Lamp; and Monsanto's Ross Bushnell, Director of Marketing, North America. (Photo courtesy of Monsanto)



In addition to addressing the Commodity Classic's General Session, Agriculture Secretary Ann Veneman participated in a brief "Q&A" session with reporters. She was accompanied by student representatives of the 4-H and Future Farmers of America. (ASA Photo by Bob Callanan)



At a joint ASA and National Corn Growers Association press conference at the 2002 Commodity Classic in Nashville, Tenn., ASA President Bart Ruth updated reporters from throughout the country about current ASA initiatives and efforts on behalf of soybean growers. (ASA photo by Jill Wagenblast)