

ASA Applauds Signing of 2002 Farm Bill

The American Soybean Association (ASA) fought hard during the Farm Bill debate to ensure that soybean farmers were treated more equitably. Here is a summary of soybean producers' benefits in the new Farm Bill:

Farm Support: ASA lobbied successfully for soybeans to be treated as a program crop, which makes them eligible for benefits under the direct payment and target price income support programs, as well as under the marketing loan program.

ASA also wanted soybean producers to be able to update their bases and yields. Under the new Farm Bill, soybean farmers will have the option of updating their bases or, if it's more advantageous for them, add recent soybean plantings to their

existing program base. For counter-cyclical payments, yields will be partially updated to better reflect recent planting trends.

Conservation: ASA is proud to report that the Farm Bill is the "greenest" in history, providing \$17.1 billion in conservation funding.

Trade: ASA fought hard to boost funding for export promotion programs because currently, every other row of soybeans planted in the U.S. is exported. ASA managed to increase funding for the Foreign Market Development (FMD) program by \$7 million per year to \$34.5 million. The Market Access Program (MAP) is scheduled receive \$200 million, a \$110 million increase.

Battling global starvation and malnutrition through strong U.S. food aid programs was another ASA priority. ASA accomplished this worthwhile goal by more than doubling funding for the Food for Progress program to \$308 million in the new Farm Bill. The Global Food for Education Initiative will receive \$100 million.

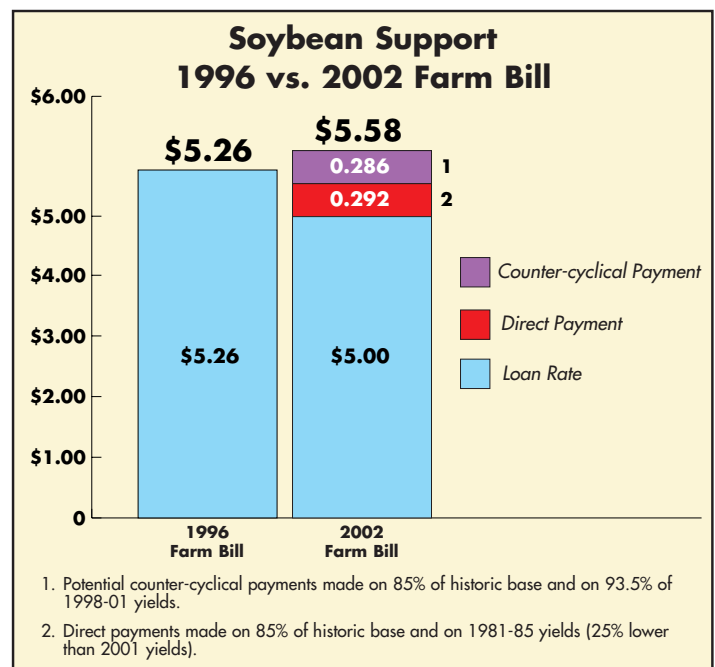
Energy: ASA has long advocated that farmers can help address the nation's energy needs. Congress acknowledged this by including an energy title in the Farm Bill for the first time ever. It provides \$5 million to educate fuel buyers about the benefits of biodiesel. It also contains \$204 million in incentives for biodiesel and ethanol producers.

Soybean Safety Net Increases

As part of the 2002 Farm Bill, the safety net for soybean producers has increased 32-cents, from \$5.26 per bushel to \$5.58 per bushel. Even though the soybean loan rate decreases from \$5.26 per bushel to \$5.00 per bushel, producers will come out ahead because of the addition of direct payments and counter-cyclical payments. An additional 29-cents for each of those payments, plus the \$5.00 loan rate brings the total safety net to \$5.58 per bushel under the 2002 Farm Bill.

This means there is a reduction in the amount of income protection received by U.S. soybean growers under the soybean loan rate, which is tied to current production and classified by the World Trade Organization (WTO) as trade distorting "amber box" payments.

The new Farm Bill provides for direct payments, which are classified by the WTO as non-trade distorting "green box" income support, and counter-cyclical payments. Both of these payments are totally decoupled from current production and will be paid on only 85 percent of a producer's historic base acreage.



U.S. Rivers Impact Producer Profitability

More than 75 percent of U.S. soybean exports move to world ports via the Upper Mississippi and Illinois River systems. The profitability of every U.S. producer is impacted by the ability of the United States to efficiently ship soybeans through the Port of New Orleans.

Inland waterways in the U.S. are of vital importance in the transportation of soybeans and soybean products. Barge transportation on these waterways is not only the most efficient and economical means of transportation, it is also the most environmentally friendly. Grain transportation on these rivers, however, currently relies upon an antiquated lock and dam system that is deteriorating at an alarming rate.

This lock and dam system, developed nearly 60 years ago, was originally built to handle 600-foot tows. However, most tows today are 1,200 feet long — requiring the barge to be split and sent through one section at a time. The result is delays along the rivers, and that pushes up U.S. grain transportation costs. These higher transportation costs equate to lower commodity prices or fewer international sales for U.S. farmers.

"We need to modernize our lock systems," said Ken Wells, Southern Region Vice President for the American Waterways Operators, the national trade organization for the tugboat, towboat and barge industry. "Our waterborne transportation system is one of the key factors that allows us to be competitive internationally."

According to the Midwest Area



The competitiveness of all U.S. soybean exports is directly related to efficient river transportation systems. Here at the Port of South Louisiana, barges are prepared for the journey back up the river while their cargoes depart for overseas customers. A barge can move one ton of cargo 500 miles on a single gallon of fuel. That same gallon of fuel moves a ton of cargo only 200 miles by rail car and only 60 miles by truck. (ASA photo by Bob Callanan)

River Coalition (MARC) 2000, the Upper Mississippi River, Illinois Waterway and Missouri River System moved more than 151 million tons of commodities in 1999, at a value of almost \$24 billion. Grains accounted for more than 39 percent of that tonnage.

"As the economy becomes more dependent on exports, our ability to access and compete for world markets will be more critical," said Royce Wilken, President of the American River Transportation Company (ARTCO). "The world stands on the threshold of a long, strong surge in economic growth and a higher stan-

dard of living. Nations will share in that growth. And the nations who will share in that growth will be those who have the most efficient export-oriented infrastructures in place to compete in the marketplace."

While U.S. farmers are fighting to maintain market share in a fiercely competitive global marketplace, international competitors are investing in transportation infrastructure. Argentina has invested more than \$650

million in its transportation systems to make its grain more competitive. Brazil is reviving its water transport network to reduce shipping cost for soybeans by at least 75 percent.

While competitors are making investments, the U.S. continues to study. The U.S. Army Corps of Engineers is in the final stages of the Upper Mississippi River and Illinois Waterway System Navigation Study, which began in 1989.

"The time to study is over," said Chris Brescia, President of MARC 2000. "It's time to do something about it."

ASA Urges Producer Involvement

ASA is encouraging all U.S. producers to urge their elected officials to support expansion of Locks and Dams 25, 24, 22, 21 and 20, with guide wall extensions on Locks and Dams 18, 17, 16, 15, and 14, on the Mississippi River, and to expand the LaGrange and Peoria Locks on the Illinois River to 1,200 foot structures.

To learn more about the importance of the barge and river transportation, visit www.soygrowers.com and the Soybean Trade Expansion Program (STEP) area sponsored by Bayer Corporation.

**FARMERS
helping
FARMERS**

Together we can achieve success...

American Soybean Association (ASA) members are farmers just like you.

A grassroots membership organization for over 80 years, ASA develops and implements national policies to protect the interests of its members and the entire soybean industry! Checkoff funds cannot legally be used for ASA's legislative efforts. It takes membership dollars and bodies!

Together We Can Make A Difference...

"I want to help people like myself. I need to promote what I do for a living!"

JACK TRUMBO, KENTUCKY SOYBEAN GROWER & ASA MEMBER

"I believe in supporting organizations that work on behalf of farmers and their families!"

PAMELA SNELSON, OKLAHOMA SOYBEAN GROWER & ASA MEMBER

ASA MEMBER VOICES

"I want to make a difference and work for the benefit of soybean farmers!"

ROGER DALE, MINNESOTA SOYBEAN GROWER & ASA MEMBER

Take This Important Step Today...

Join the American Soybean Association to ensure success for your operation and secure a future in farming for generations to come!

When you join ASA you also receive benefits from your State Soybean Association.

Dues include membership to both organizations.

STATE SOYBEAN ASSN	1-YR	3-YR	STATE SOYBEAN ASSN	1-YR	3-YR	
AL Soybean Assn	\$50	\$130	MO Soybean Assn	\$45	\$115	* Includes membership to the Nat'l/State Corn Growers Assn.
AR Soybean Assn	\$50	\$130	NE Soybean Assn	\$75	\$170	** DE, MD, NJ, PA
GA/FL Soybean Assn	\$50	\$135	NC Soybean Producers Assn	\$40	\$110	• States not listed - \$46 for 1-year; \$125 for 3-years, payable to the American Soybean Assn.
IL Soybean Assn	\$65	\$150	ND Soybean Growers Assn	\$50	\$130	• Outside the U.S. - \$50 for 1-year; \$130 for 3-years, payable to the American Soybean Assn.
IN Soybean Growers Assn	\$60	\$150	Ohio Soybean Assn	\$60	\$150	• Dues are not a charitable expense.
*IA Soybean Assn	\$75	\$200	OK Soybean Assn	\$40	\$105	• Check with CPA about deducting dues as a business expense for federal income tax purposes.
KS Soybean Assn	\$50	\$130	*SC Corn & Soybean Assn	\$90	\$240	For more information, please call the ASA Membership Department at 1-800-688-7692.
KY Soybean Assn	\$40	\$100	SD Soybean Assn	\$60	\$150	
LA Soybean Assn	\$40	\$110	TN Soybean Assn	\$45	\$120	
MI Soybean Assn	\$50	\$130	TX Soybean Assn	\$45	\$120	
**Mid-Atlantic Soybean Assn	\$45	\$120	VA Soybean Assn	\$45	\$120	
MN Soybean Growers Assn	\$60	\$160	WI Soybean Assn	\$60	\$150	
MS Soybean Assn	\$40	\$105				

Join before **September 30, 2002**, and receive a free

Soybean Management & The Land handbook while supplies last!



Please fill out membership application and enclose with a check or money order payable to your STATE SOYBEAN ASSOCIATION (listed above), Harvest Points® information or credit card information, and mail to:

Membership Dept, American Soybean Assn, 12125 Woodcrest Executive Dr, Ste 100, St. Louis, MO 63141.

I want to join ASA for one year. I want to join ASA for three years. State Association I want to be affiliated with _____

I want to pay with Harvest Points®. 100 points approx. = \$1.00. Call Harvest Partners® at 1-800-258-2345 for account # and point status

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