

U.S. farm bill to impact international trade

WASHINGTON - Across the street from the Capitol Hill hotel where the annual Catholic Social Ministry Gathering was being conducted, a group of Koreans was protesting an impending free-trade deal with South Korea. The protest was complete with chanting and drums.

Inside the hotel, Oblate Father Andrew Small, a policy adviser for the U.S. bishops who focuses on international economic development, shushed his audience at a Feb. 12 briefing on the 2007 U.S. farm bill. "Can you hear them?" he asked. People could.

"Why are they protesting? Trade? Free trade," Father Small said. Noting that some in attendance at the briefing come from rice-growing states, he continued: "They're worried about your rice. (Is it) because it's good rice?" While some would argue that that's so, Father Small said it more likely was "because it's subsidized."

Subsidies for rice, corn, wheat, soybeans and cotton production, and federal price supports for dairy products and sugar, are a significant part of the farm bill, which is reauthorized every five or six years. The last bill was passed in 2002.

In fact, according to Kathleen Curran, interim director of the U.S. bishops' Office of Domestic Social Development, there has been no farm bill written yet. The committees that determine the bill's content, she said, meet to "hammer out the details. Once they agree, they'll put it into a bill."

Many lawmakers, she added, will introduce bills on agricultural or nutritional issues to "put their ideas on the table, so it might be included in the farm bill."

Father Small said the U.S. crop subsidies were "exclusionary" in that they do not include livestock or fruit. Curran noted those producers are looking for some kind of federal price supports, although not necessarily in the coming farm bill.

"We're getting complaints that the current system isn't helping the people it's supposed to help," Father Small said, noting that 30 percent of the federal subsidies

go to 3 percent of the growers. The current system, he added, “incentivizes people to overproduce, knowing that you’ll get supported if the price falls. The safety net is there if you don’t achieve your goals through the markets, the free markets.”

One consequence of overproduction is growing crops on “marginal land,” Father Small said. Another is “dumping” subsidized crops in foreign markets, disrupting the domestic market in those countries with U.S.-grown crops sold for less than what it cost to grow them locally. This “cripples people overseas,” he added.

Currently, federal price supports are needed in only two areas. Corn is now \$4 a bushel because of the demand for fuel alternatives to oil. It could make a dent in the consumer food supply, Father Small said. Chicken raisers, he noted, are grumbling about the higher costs of feed corn for their chickens, which is bound to be reflected in higher prices at supermarkets.

It’s also possible, Curran said, that technological breakthroughs in other oil alternatives would drive down the demand for corn, prompting corn farmers to ask the government for help.

“Reauthorization of the farm bill presents an opportunity to reshape our broken agricultural policies to build a more just framework that better serves rural communities and small and moderate-size family farms in the U.S., promotes good stewardship of the land, overcomes hunger here and abroad, and helps vulnerable farmers and their families in developing countries,” said “Loving Our Neighbors: A Catholic Message for Congress,” that was distributed to all social ministry gathering participants in anticipation of a series of Feb. 13 visits to lawmakers’ offices on Capitol Hill.

Curran said the farm bill doesn’t suffer from a Republican-Democratic divide, but rather is more dependent on the state or region of the lawmaker. The district or state may have a large number of farmers growing federally supported crops – or many poor urban dwellers who would benefit from the nutritional programs that are part of the bill.