



ASA Policy Brief for October 2009

Dear Soybean Industry Leaders,

Below is an update on some of the key issues ASA has been pursuing that will directly impact soybean farmers and the entire U.S. soybean industry.

Action on RFS-2 Rule – ASA issued a Call to Action asking all U.S. soybean producers to raise concerns about the rule proposed by the Environmental Protection Agency that would disqualify biodiesel from eligibility under the expanded Renewable Fuel Standard (RFS-2). Under the rule, EPA would use flawed and unjustified assumptions on the impact of U.S. biodiesel production on international indirect land use to reduce biodiesel's net reduction in greenhouse gas emissions below the 50% level required under RFS-2. ASA has testified repeatedly in opposition to the proposed rule, and submitted a comprehensive statement to EPA Administrator Jackson on the issue in advance of the September 25 deadline for comment. In addition to submitting its own detailed comments, ASA's Call to Action included placing an online form and draft letter to Administrator Jackson on ASA's website for producers to use in contacting EPA. ASA state affiliates have reported tremendous success in generating response to the Call to Action, including over 1,000 farmers and supporters at Husker Harvest Days in Nebraska, over 125 at the Farm Progress Show in Illinois, and over 500 submitted via ASA's website.

Continued Push for Bioenergy Program Correction – ASA continues to press USDA and Congress to correct a provision in the Notice of Contract Proposal issued by USDA's Rural Development office that disqualifies biodiesel produced by plants located in towns with populations exceeding 50,000, or those that may be foreign-owned, from receiving payments under the Bioenergy Program. ASA raised objections to the provision with USDA officials, and has been meeting with Members of Congress and staff to support a fix.

Biobased Products – ASA attended the Biobased Stakeholder's Workshop in Washington, D.C., organized by USB, which included presentations by USDA staff who administer the Biopreferred product procurement program as well as EPA, OMB, and Department of Defense officials. Following the Workshop, ASA and other members of the Biobased Products Coalition met to discuss strategies for advancing federal policy priorities, including finalizing USDA's biobased label, expanding the BioPreferred program, and enacting a tax credit for biobased products.

Submission of Research Priorities to USDA – At the request of USDA Under Secretary Rajiv Shah, ASA submitted its top three soybean research priorities for consideration prior to preparation of future Administration budgets. ASA's list included translating the soybean genome, the Pest Information Platform for Extension and Education (PIPE) for soybean rust and other pests and diseases, and aquaculture. ASA's transmittal letter stated that "the overarching research priority for the U.S. soybean industry is to translate the data generated from sequencing the soybean genome into even more efficient production of an even higher quality crop." The letter also pointed out that permanent funding for the PIPE program is uncertain, and that there is no process for coordinating research resources for aquaculture within USDA or across agency boundaries.

Leadership on Agriculture and Food Research Initiative Funding -- ASA and 43 other agriculture organizations sent a letter to Conferees on the FY-2010 Agriculture Appropriations bill supporting increased funding for USDA's Agriculture and Food Research Initiative (AFRI). The letter supports the Senate position to provide funding of \$295 million, compared to \$213 in the House version and current funding of just over \$200 million. This is a significant step toward our goal of reaching the full authorized level of \$700 million per year for this competitive research program.

WTO China Poultry Case – ASA submitted comments to USTR on the WTO dispute settlement proceeding initiated by China against U.S. poultry imports after the House Agriculture Appropriations Subcommittee included language in its FY-2010 bill that would prohibit FSIS/USDA from conducting risk assessments on imports of Chinese processed poultry and poultry products. ASA urged that USDA be allowed to conduct a science-based risk assessment, and warned that establishing import prohibitions without scientific grounding could hurt U.S. exports if other nations do so. Similar comments were submitted by the USA Poultry & Egg Export Council, the National Chicken Council, the U.S. Meat Export Federation, and the American Farm Bureau Federation. Subsequently, a deal was announced under which Chinese poultry imports would be allowed provided the Secretary of Agriculture notifies Congress that certain conditions regarding processing safety have been met.

WTO Panel Decision on Export Credits – ASA and 34 other agriculture organizations wrote USTR Ambassador Kirk raising concern about the finding by a WTO arbitration panel that the U.S. has failed to eliminate the subsidy component of its export credit programs. The decision awarded Brazil damages, allowing it to retaliate against U.S. imports. ASA's letter pointed out that USDA reformed the GSM-102 program after the original WTO compliance panel identified it as an export subsidy in the Brazil cotton case in 2005, and that these reforms were not but should have been taken into account by the arbitration panel.

Siddiqui Named as Chief Agriculture Negotiator – President Obama nominated Dr. Isi Siddiqui to be the Chief Agriculture Negotiator at USTR. Siddiqui is currently Vice President for Science and Regulatory Affairs at CropLife America. He previously served in the Clinton Administration as USDA Under Secretary for Marketing and Regulatory Programs and as Senior Trade Advisor to Agriculture Secretary Dan Glickman. In early September, ASA coordinated a letter to the White House signed by 36 agriculture organizations pointing out the need to have the top USTR agriculture negotiator position filled quickly in order to pursue new Free Trade Agreements as well as represent the U.S. as efforts continue to resume the Doha WTO trade negotiations. ASA is pleased the Administration has responded to this request, and looks forward to working with Dr. Siddiqui following his confirmation by the U.S. Senate.