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ASA Policy Brief for November 2009

Dear Soybean Industry Leaders,

While wet harvest weather has delayed soybean farmers' harvest progress, ASA is pleased that progress has been made on obtaining funding for soybean rust monitoring, soy research, food aid, and market development programs. 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.

FY 2010 Funding Secured for Soybean Rust, Research, Food Aid, and Market Development Programs – Federal funding for ASA-supported priorities was obtained as House and Senate Conferees completed the FY-2010 Agriculture Appropriations bill, which is expected to be approved by both Houses of Congress and signed by President Obama. Many ASA priorities were funded in the bill, including \$9.83 million for the Food and Agriculture Defense Initiative (FADI), which includes funding for the soybean rust Pest Information Platform for Education and Extension (PIPE). The conference report includes full funding of \$200 million for the Market Access Program (MAP) and \$34.5 million for the Foreign Market Development (FMD) Program -- key export promotion priorities for ASA and soybean farmers. Amounts for U.S. food aid programs were increased to \$1.59 billion for P.L. 480 Title II and \$200 million for the McGovern-Dole Food for Education Program. The bill also includes \$262 million for the Agriculture and Food Research Initiative (AFRI), USDA's competitive grant program -- a \$61 million increase over FY-2009 funding. ASA strongly advocated funding for all of these priority appropriations for soybean farmers.

ASA's Layton Testifies On Need for Expanded Ag Research Before House Ag Panel – ASA Mid-Atlantic Director Joe Layton testified on the Research Title of the 2008 Farm Bill before the House Agriculture Committee's Subcommittee on Conservation, Credit, Energy and Research. Layton was one of only three invited witnesses. Layton's testimony focused on the importance of expanding agricultural research funding, and the six years he has devoted to this priority on behalf of ASA and the National Coalition for Food and Agricultural Research (CFAR).

ASA Working to Address Anti-Biotech Regulation Issued by Turkey – ASA is working closely with USDA, the U.S. Trade Representative, and industry groups to confront an anti-biotech regulation announced by Turkey. The Turkish Ministry of Agriculture announced a regulation banning the import of any biotech product unless it is accompanied by documentation showing that any biotech event contained in a shipment has been registered and commercially available in the originating country for three years. The new regulation, which also required all biotech products to be labeled, was to go into effect immediately. USDA's Foreign Agricultural Service predicts that this action will shut down almost \$1 billion in annual U.S. agricultural exports to Turkey, including U.S. soybean and soybean meal shipments. In the 2008/2009 marketing year, the United States exported over 690,000 metric tons of soybeans and over 223,000 metric tons of soybean meal to Turkey with a combined value of over \$370 million. At ASA's request, FAS and USTR held a conference call with industry to discuss the situation and coordinate actions to reverse the regulation as soon as possible. ASA is also working closely with the ASA-IM and USSEC staffs to resolve this situation.

ASA Briefs EPA & USTR On Barriers Affecting Exports of Biotech Commodities – ASA met with EPA and USTR officials to discuss key issues for soybean producers on agricultural biotechnology. A meeting with Larry Elworth, Agriculture Counselor to EPA Administrator Lisa Jackson, gave ASA and other members of the Ag Biotech Planning Committee an opportunity to brief him on current concerns with domestic and foreign regulatory problems facing biotechnology. ASA and other members of the value chain met separately with USTR's Office of Agricultural Affairs and General Counsel on the status of efforts to confront continued delays by the European Union on approving applications for new biotech traits. USTR and other Executive Branch agencies are considering alternative approaches for following up the Approvals Case, which the U.S. won against the EU's non-scientific and non-transparent process. Options include asking the WTO for a Compliance Panel – a first step toward retaliation – and filing a new case based on evidence compiled from dossiers submitted to USTR by various biotech companies.

Government Purchasing of Bio-based Products Expanded - ASA has led efforts to expand and promote the bio-based program established in the 2008 Farm Bill. USDA Assistant Secretary for Administration Pearlle Reed met with ASA and members of the Bio-based Products Coalition to discuss several federal bio-based program initiatives. Assistant Secretary Reed detailed the latest categories of bio-based products designated for eligibility under the BioPreferred Program, which requires federal agencies to purchase bio-based products when available and price-competitive. The new categories added include chain and cable lubricants, corrosion preventatives, food cleaners, forming lubricants, gear lubricants, general purpose household cleaners, industrial cleaners, multipurpose cleaners and parts wash solutions. USDA also described their process and timeline for implementing a final rule on the bio-based labeling program. ASA will continue to work with USDA on its implementation.

Questions on EPA's Assumptions on Land Use Changes Highlighted at Biofuels Lifecycle Workshop – ASA has submitted detailed comments to the EPA in strong opposition to EPA's assumptions about land use changes resulting from biofuel production. ASA recently attended a workshop on biofuels lifecycle greenhouse gas emissions at the Argonne National Laboratory in Illinois. Participants in the workshop included the U.S. Environmental Protection Agency, U.S. Department of Agriculture, U.S. Department of Energy, and research and academic institutions, as well as the biofuels, feedstock, petroleum, and automotive industries. Topics covered at the workshop included existing lifecycle analysis models and the issues and differences involved in them, feedstock production, soil and fertilizer issues, land use change, and greenhouse gas emissions. There were a broad and diverse range of viewpoints represented at the workshop, but consistent recognition that EPA's attribution of land use change effects to biofuels production is very much in question.

ASA Submits Comments to Improve the Conservation Stewardship Program – ASA submitted comments to the Natural Resources Conservation Service (NRCS) in response to the Interim Final Rule for the new Conservation Stewardship Program (CSP). Signup for the first year of the new CSP concluded on September 30, with NRCS receiving 21,281 applications covering an estimated 33 million acres. The law allows enrollment of up to 12,769,000 acres per year for five years. While the first signup has concluded, ASA recommended several changes to the program, including counting B15 or B20 biodiesel among eligible energy conservation reduction methods used on a farm. ASA also suggested deleting CSP payment limits proposed by NRCS that go beyond those included in the 2008 Farm Bill, where the program was created, and recommended additional training and outreach at the local office level.