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## **ASA Policy Brief and Outlook – May 2010**

### **May 4, 2010**

#### **Biodiesel Tax Credit**

Congressional action on a tax extenders package, including a retroactive extension of the biodiesel tax incentive, remains stymied by the need to find offsets to cover the cost of extending the tax credits and comply with paygo rules. The House Democratic leadership continues to indicate their intent to pass the tax extenders bill before the Memorial Day recess but, again, no offsets have yet been identified that can garner the necessary 60 votes in the Senate. ASA continues to work with Congressional supporters to extend the biodiesel tax incentive to the end of 2010, retroactive to the first of the year. As a follow-up to ASA's "Call About Biodiesel" campaign, please make sure calls are continuing to your Congressional delegations about the urgent need to extend the biodiesel tax incentive!

#### **Climate Change and Energy Legislation**

There also continues to be political gridlock over potential climate change and/or energy legislation. Bipartisan work on a climate and energy bill broke down in late April over the possible consideration of highly contentious immigration reform legislation. While Senate Majority Leader Reid has left open the possibility that the Senate may take up a climate change bill, it does not appear likely that they would have the 60 votes needed to move forward. Some have advocated moving an energy-specific bill, without the more contentious climate change-related provisions. However, passing an energy bill without addressing climate change would likely raise opposition from environmental groups and climate change proponents.

#### **Food Safety Legislation**

Other potential legislation Congress may consider either during or after completing action on regulatory reform of financial markets includes the food safety bill, which could impose record-keeping requirements on companies that process and store commodities. Some proponents argue that traceability of commodities that end up in food products should extend all the way back to the farm level. However, ASA and other farm groups have opposed this. Additionally, ASA, NOPA, the National Grain & Feed Association, and others are pointing out the challenges and costs of traceability in a bulk grain handling system. Given the popularity of efforts to strengthen food safety after several recent incidents, Congressional action on food safety legislation in this election year is considered likely.

## **2012 Farm Bill Hearings**

The House Agriculture Committee started its 2012 Farm Bill process on April 21 by hearing from Agriculture Secretary Tom Vilsack, and the first of eight field hearings was held in Des Moines, Iowa, on April 30. Chairman Collin Peterson and several Members of the Committee who attended expressed interest in making changes in the ACRE revenue assurance program and in federal crop insurance to provide a more effective safety net for commercial farmers. ASA has established a Farm Bill Working Group and expects to present its views on current and future farm policy at Subcommittee hearings in June or July.

## **Trade Issues**

It is unlikely that Congress will vote on any of the pending Free Trade Agreements (Colombia, Panama, South Korea) this year given the divisiveness of trade issues among Democrats and the upcoming mid-term elections. And while the Administration has embraced the concept of expanding trade, there is no evidence that it is actually taking the practical and political steps necessary to prepare any of the FTAs for Congressional action.

Legislation to expand agricultural exports to Cuba sponsored by Chairman Collin Peterson (D-MN) and Representative Jerry Moran (R-KS) continues to gain support, with current co-sponsors now at 50, up from 34 when the bill was introduced. The Chairman is in the final stage of building support for the legislation on his Committee, and would like to mark-up the bill before the Memorial Day recess. ASA is working closely with the Committee staff and coordinating outreach efforts to other Congressional offices.