



**American Soybean Association
2009 Policy Priorities
Position Paper for the Obama Administration
January 2009**

Biodiesel

ASA's top policy priority for 2009 is long-term enactment of the biodiesel tax credit before it expires on December 31, 2009. The biodiesel tax incentive and Bioenergy Program payments make U.S. biodiesel producers more competitive with petroleum-based diesel and with biodiesel imports, which benefit from foreign government subsidies. Biodiesel production has a minimal impact on food prices.

2008 Farm Bill Implementation

ASA supports maintaining an effective safety net for soybean producers to protect against declines in commodity prices and farm income that are beyond their control. ASA strongly supports the 2008 Farm Bill and opposes reopening it through its expiration in 2012.

Under the Bioenergy Program for Advanced Biofuels, ASA supports regulations for biodiesel that pay on all gallons, not just incremental production.

ASA supports fully funding the cost of upgrading the computer system at the Farm Service Agency. The computing shortfall has become more severe with the implementation of the 2008 Farm Bill because of the complexities of the Average Crop Revenue Election (ACRE) and the Supplemental Revenue (SURE) assistance program. Although the farm bill provided \$50 million for implementation costs, estimates have run as high as \$450 million to fully fund the cost of the computer upgrade.

ASA continues to support the National Institute for Food and Agriculture (NIFA) included in the 2008 Farm Bill, and particularly the congressional directive that the Chief Scientist be of high academic stature and report directly to the Secretary of Agriculture.

ASA supports maintaining the Federal crop insurance program as a vital part of the farm income safety net. Any changes in crop insurance should meet the goal of integrating it with other parts of the farm program, including disaster assistance, not to weaken its effectiveness.

International Trade

U.S. soybean producers depend on export markets for soybeans, soybean meal and oil, and livestock products, for 50 percent of their annual production. ASA strongly supports renewal of Presidential Trade Promotion Authority as soon as possible.

ASA has strongly supported negotiation of Free Trade Agreements that increase export opportunities for American farmers and ranchers. ASA supports Congressional passage as soon as possible of the Colombia, South Korea, and Panama Free Trade Agreements. Regarding future FTA negotiations, we believe that your Administration should select countries that offer significant opportunities for increased U.S. agricultural exports in general, and exports of soybeans and livestock products in particular. We have been concerned that at times in the past the criteria for selecting negotiating partners has not always been based on developing the best market opportunities for exports of U.S. agricultural products.

Regarding the Doha WTO negotiations, ASA will accept restrictions on U.S. domestic support provided there is comparable expansion of meaningful market access for soybean and livestock products in key developing country markets. The current Modalities Text makes significant reductions in domestic support that are likely to require legislative changes in the current farm program. However, its provisions on market access include an expansion of permitted Sensitive Products and Special Products, and a Special Safeguard Mechanism, that could actually reduce current market access for soybean and livestock products. It also fails to eliminate Differential Export Taxes, a key priority for ASA and U.S. oilseed processors. Unless significant and commercially meaningful increases in market access are obtained, ASA believes that no agreement is better than a bad agreement.

Agricultural Biotechnology and Productivity

ASA strongly supports agricultural biotechnology as one of the most effective means for increasing yields, aiding in conservation efforts, improving quality traits, and reducing production costs. However, the adoption of biotechnology by producers and/or agricultural exports can be threatened by slow or non-functioning regulatory approval systems in foreign countries. The European Union's politically-influenced system for approving the importation of biotech commodities is of particular concern, as is South Korea's currently non-functioning system and China's system that requires full U.S. regulatory approval before even applying for Chinese approval. The U.S. Government's active involvement and assistance to address these impediments is needed.

International Food Assistance

ASA strongly supports all U.S. food assistance programs. U.S. food aid programs should be protected within the WTO and food aid should not be replaced by cash donations. When the world has a food crisis where prices are high and supply is low, the U.S. needs a strong viable food assistance system in place and functioning.

Export Credits

ASA believes that U.S. export credit programs are important to the well-being of U.S. agriculture and the ability to open new export markets for farmers and exporters. It is important that our agricultural export related programs be utilized to the fullest extent possible.

Biobased Preferred Product and Labeling Program Implementation

ASA has championed implementation of the biobased label and the criteria for attaining the label to help distinguish true biobased products and pull them into the market. We support acceleration of the implementation of the BioPreferred Procurement Program so that more products are approved as eligible.

ASA supports enactment of a tax credit for biobased products.

Climate Change

Soybean farmers recognize that opportunities exist for growers under climate change legislation, through providing offsets and participation in carbon credit markets. ASA will not support emissions caps or additional regulations for agriculture under climate change legislation or regulations.

Transportation

ASA is encouraged that President-elect Obama recognizes the multiple benefits to be realized from infrastructure investment. We strongly support funding for upgrade of locks and dams in economic stimulus legislation and/or Energy and Water appropriations bills. For rail, we encourage rail and/or investment incentives for rail infrastructure and policies to address rail rates and service issues. ASA will also monitor the Surface Transportation Reauthorization bill to ensure agriculture's interests are addressed.