

ASA Calls for Competitive Program for Soybean Growers in 2007 Farm Bill

The American Soybean Association (ASA) has urged Congress to increase support levels for soybeans to competitive levels if current farm programs are renewed in the 2007 Farm Bill. In testimony before the House Agriculture Committee, ASA First Vice President John Hoffman stated that soybean farmers "support the basic structure of farm programs under the 2002 Farm Bill, but believe adjustments are needed in oilseed support levels in the event these programs are reauthorized."

A soybean producer from Waterloo, Iowa, Hoffman cited rising domestic and global demand for animal feed and vegetable oil. "U.S. oilseed producers need to be able to respond to these market signals," he said. "We believe low oilseed support levels in the 2002 Farm Bill could discourage producers from planting oilseed crops."

Hoffman's testimony came during a daylong hearing by the House panel where representatives of 17 national agricultural commodity and general farm organizations presented their priorities for next year's farm bill debate. The ASA First Vice President spoke on behalf of the National Sunflower Association and the U.S. Canola Association, as well as ASA.

He voiced oilseed producer support for maintaining the current agriculture spending baseline for writing new farm legislation, and for a new multi-year bill rather than a shorter extension of the 2002 Act. "Farmers need to make long-term economic decisions, and conditions have changed sufficiently to justify a comprehensive review of farm policy," he stated.

With regard to specific farm programs, Hoffman said that "oilseed producers have strongly supported the Marketing Loan as the most effective tool for ensuring the U.S. crops are competitive with foreign oilseed exports and for supporting producer income when world prices decline." He went on to say that "the Target Prices and Direct Payments established for oilseed crops in the

current farm program are disproportionately low compared to other program crops."

"In the event competition for limited resources prevents equitable adjustments in oilseed support levels,"

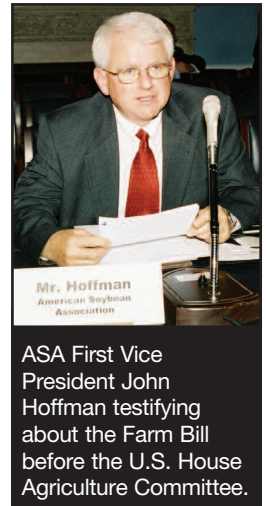
Hoffman continued, "oilseed organizations support consideration of an alternative structure that could provide an improved safety net for all crops. One alternative would guarantee a percentage of program crop revenue, as opposed to offsetting low prices and yields. A 70 percent revenue guarantee would be considered non-production and non-trade distorting, or 'Green Box,' for World Trade Organization purposes," he said.

"Beyond the commodity title," the ASA leader stated, "oilseed organizations support reauthorizing and maintaining funding for existing conservation, nutrition, research, energy, and trade programs in the 2002 Farm Bill."

Hoffman pointed to growing demand for the viable farmland currently locked up in the Conservation Reserve Program (CRP), including for production of energy crops. He cited U.S. Department of Agriculture data indicating that as much as 7.2 million acres currently enrolled in the CRP could be used to grow corn and soybeans in a sustainable way.

ASA is a national, not-for-profit, grassroots membership organization that develops and implements policies to increase the profitability of its members and the entire soybean industry.

ASA PHOTO BY KAREN EDWARDS



ASA First Vice President John Hoffman testifying about the Farm Bill before the U.S. House Agriculture Committee.

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