

ASA Advocacy on Crucial USDA Decision Means Real Revenue Protection

With the U.S. Department of Agriculture's (USDA) announcement that 2007 and 2008 crop year prices will be used to calculate guarantees under a new farm bill program, months of diligent work by the American Soybean Association (ASA) came to a successful conclusion. At issue was the new Average Crop Revenue Election (ACRE) program authorized in the 2008 Farm Bill, which provides soybean farmers with a valuable new option.

"In our view, Section 1105 (d)(3) is quite clear on the determination of the ACRE price guarantee," ASA and other farm groups wrote to then-Secretary of Agriculture Ed Schafer in September. "The statute says...the ACRE program guarantee price...shall be the simple average of the national average market price...for the most recent 2 crop years."

The two-year national average soybean price for the 2006 and 2007 crop years was \$8.42/bushel; for 2007 and 2008, it is estimated to be \$10.13/bushel (the final number will be announced at the end of the 2008 crop marketing year).

But while the determination was clear to ASA, it was controversial in other circles. Then-Deputy Secretary of Agriculture Charles F. Conner criticized the ACRE program's potential costs, telling the Washington Post that "the budget exposure is tremendous."

ASA's legwork to generate support for using 2007 and 2008 figures was key to USDA's last-minute decision. ASA grower leaders and staff worked throughout the fall, meeting with Members of Congress,

USDA officials, and even Office of Management and Budget officials to press their case. And in the end, this one crucial decision means the difference between a program that begins to work for farmers when prices fall below \$9.00 a bushel, and one under which prices would have to fall all the way to \$7.50.

"Farmers prefer to earn their revenue from the market, but knowing this higher level of revenue protection is available will help our members with planting decisions this spring," said ASA President Johnny Dodson. "This one ASA-backed decision by USDA shows the value of supporting ASA's policy work with your membership."

Should prices fall to \$7.50, this \$1.50 difference will provide an additional \$60.00 per acre based on the national average soybean yield of 40 bushels per acre. For a producer with 500 acres of soybeans, this one ASA policy success could provide up to an additional \$30,000 in revenue protection for growers in 2009.

This is an example of how ASA's efforts on policy issues successfully benefit U.S. soybean farmers. As a non-profit organization, ASA needs your membership support to continue working on dozens of policy issues impacting your profitability and market opportunities, like biodiesel incentives, Farm Bill implementation and trade agreements. If you believe the work of ASA is important for soybean farmers, you are asked to belong – become a member. Join today at www.soygrowers.com.

Funding for Soybean Rust Monitoring Continues

The U.S. Department of Agriculture (USDA) will continue the Asian Soybean Rust Pest Information Platform for Education and Extension (PIPE). The American Soybean Association (ASA) has been working with USDA and Congress to secure federal funding for PIPE because the system helps protect the U.S. soybean crop and saves soybean producers millions of dollars annually.

"ASA is pleased that USDA will be providing over \$750,000 in funding for the soybean rust sentinel plot and diagnostic network in FY09," said ASA

Chairman John Hoffman. "These USDA funds will be leveraged with approximately \$500,000 in federal and state checkoff investments and available state funding to maintain a scaled-down soybean rust sentinel plot and diagnostic network."

As a result of ASA's successful advocacy efforts, PIPE has been funded with more than \$2 million of federal money for each of the last four years. PIPE is a coordinated framework that has been highly effective in helping growers make informed decisions about fungicide application.