



**Farm Bill Negotiations Continue During Recess:** During the extended congressional winter recess, it is House Agriculture Committee Chairman Collin Peterson, D-Minn., who has taken the lead in opening discussions with the Bush administration in an attempt to narrow policy differences over the 2007 farm bill. With the House scheduled to reconvene on Jan. 15 and the Senate on Jan. 22, the selection of a joint House-Senate conference committee to resolve differences in their respective versions of the farm bill likely is several weeks away. In fact, the final version of the 1,876-page farm bill approved by the Senate on Dec. 14 was not made available publicly until Jan. 4. While Senate Agriculture Committee Chairman Tom Harkin, D-Iowa, who will chair the conference committee deliberations, has been on a trip to West Africa to examine child labor issues in cocoa production, Peterson has confirmed in media interviews that he has met five times since Christmas with Acting Secretary of Agriculture Chuck Conner to discuss the administration's farm bill priorities.

As reported earlier by the NGFA, Peterson said the administration's priorities are led by its demand to establish meaningful caps on farm program payment eligibility and avoid what the administration considers to be approximately \$17 billion in tax increases to fund increased spending on nutrition, fruit and vegetable and conservation programs. To address the payment-limit issue, Peterson was quoted as saying that he, Conner and congressional staff members have discussed changing the definition of "farm" and harmonizing the income restrictions on production subsidies and conservation payments. The Bush administration had proposed to reduce the adjusted gross income limit for farm program payment eligibility to \$200,000, which it said would affect 38,000 individuals nationwide. Peterson said further analysis has shown that only 15,000 of those individuals receive the majority of their income from farming. Also reportedly under discussion is addressing the issue of persons maintaining that they are "actively engaged in farming" while still claiming that farm program payments they receive are rental payments rather than earned income, as a means of avoiding paying self-employment taxes.

Peterson also has told media representatives that the Bush administration appears to have accepted the commodity loan rate increases contained in both the House- and Senate-passed versions of the bill. But he said it remained unclear whether the Bush administration would accept any funding source for financing additional farm program spending, noting that a major gap exists between the \$600 million over 10 years proposed by the administration for spending on nutrition, fruits and vegetables, and the \$11 billion increase called for in the House-passed bill.