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Randy Green

Bush and Gore on Agriculture: A Look at What the Candidates are Saying

Either George Bush or Al Gore will be elected the nation's next President. The winner of November's election will name the next Secretary of Agriculture and all other top-level USDA officials, as well as the Administrator of the Environmental Protection Agency, the U.S. Trade Representative, the Director of the Office of Management and Budget and others who will help shape the political and economic climate for agriculture and the food industry. The next President will make proposals to Congress about what kind of farm policy should succeed the current "freedom to farm" law. He and his appointees will make decisions on such wide-ranging topics as water and air pollution, merger activity and international trade negotiations – all with the potential to affect U.S. agriculture directly.

Few Americans decide how to vote based solely on the speeches and written documents the candidates make available to the public, nor should they. Nor will many voters, even in the agricultural community, determine their vote by agricultural issues alone. Voting is a highly personal decision formed by a complex mix of influences, values and judgments. At the same time, the conscientious voter will benefit from knowing how the candidates claim they will address

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Richard Pasco

Entry of Argentine Citrus Stirs Passion

Suddenly, U.S. agriculture is paying a surprising amount of attention to the importation of Argentine citrus. Within the past few months, the U.S. Department of Agriculture decided to allow Argentina to ship citrus fruit to 34 continental states. U.S. citrus growers responded by filing suit against USDA, California Senators joined the fray with an amendment to prohibit citrus imports pending scientific peer review, and other U.S. agricultural interests weighed in with a letter opposing the Californians' amendment.

The Administration move to lift the long-standing ban on Argentine citrus imports looked to many U.S. citrus growers like a politically motivated step that disregards serious concerns about the health of American citrus orchards. Others in U.S. agriculture are concerned about the loss of their own markets that might result from newly implemented trade barriers in the future, and about the potential loss of Argentine markets to which they thought they would soon gain access.

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issues he or she cares about. This article draws from publicly available sources and quotes directly from what the candidates or their parties have said to compare and contrast their positions on issues of interest to U.S. agriculture.

Some Common Ground

Many observers of the Presidential campaign have noted that the rhetorical gap between the candidates is much wider than the substantive gap that separates their actual positions. Of course, this is nothing new in modern campaigns, but there is a significant amount of common ground between Vice President Gore and Gov. Bush on significant agricultural issues.

Both candidates –

- Support agricultural biotechnology;
- Want fast-track trade negotiating authority;
- Favor the current tax benefit for ethanol and expanded research and development of other bioenergy technologies; and
- Support permanent Normal Trade Relations for China.

Of course, Republican and Democratic administrations would bring different priorities and emphases even to these issues. Gov. Bush's support for biotechnology has a more triumphalistic ring than the Vice President's: Bush says that "study after study has shown no evidence of danger" from genetically modified organisms, while Gore "supports a strong science-based system of regulatory review of biotechnology-derived products to ensure that they do not threaten human health or the environment."

Similarly, on fast-track, Bush simply wants to "reclaim the authority of the executive to negotiate new trade agreements," which Gore also favors. But the Democratic candidate also wants "the authority to negotiate worker rights, human rights, and environmental protections," topics many agricultural groups have sought to keep out of trade agreements.

Differences Outside Agriculture

Bush and Gore differ sharply on several issues that are outside the traditional scope of farm policy but are of keen interest to many farmers. Obvious contrasts include environmental issues, which may work to the Vice President's advantage among some important voting groups, but probably help Republicans among farmers and ranchers. One issue often mentioned by farm groups is the **Kyoto Protocol**, a global-warming agreement that Gore "strongly advocates" but that Bush "opposes." Another emerging issue – one that cuts both ways, even within agriculture – is the regulation of concentrated livestock and poultry operations under the Clean Water Act, but neither campaign has emphasized this issue in its public statements.

On the **estate tax** – which Republicans like to call the "death tax" – Bush wants to "phase out" these levies, while Gore goes only as far as to advocate "raising the tax exemption for small businesses and family farms." The parties have waged partisan warfare on estate taxes, with Republicans calling them confiscatory and unfair, and Democrats asserting that expanded exemptions would remove the burden from all but the very largest estates, which many Americans would want to tax.

The Absent Issues

Sometimes what candidates choose not to talk about is revealing. Silence may imply vulnerability. The Vice President has almost nothing to say about supply management beyond calling for an expansion of the Conservation Reserve Program, hardly a full-throated cry for acreage controls. Gov. Bush, by contrast, "supports recent efforts to reverse decades of supply control management ..." while the Republican platform says that under the GOP, "government will never again run our family farms," code for a rejection of rigid acreage limits.

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The shoe is on the other foot when it comes to loan rates, a subject on which the Republican position may be more vulnerable. Gov. Bush defines his short-term agenda to include emergency payments, crop insurance and even tax code changes, but does not mention loan rates. Gore, on the other hand, says loan rates “should not be subject to artificial caps, as they are under the 1996 farm bill.”

Sanctions

Both candidates have something to say about economic sanctions, but the position of neither is likely to satisfy farm and ranch groups completely. Their rhetoric is strikingly similar. Identify which candidate said, “We are too good a people to use food as a weapon,” and which one said he “believes that food should not be used as a weapon.” (The answer: Bush and Gore, respectively.)

However, Gov. Bush then proceeds to say he will exempt “food and medicine exports ... from any *new* unilateral sanctions” (emphasis added), which allows him to say (in another speech) that as for Cuba, he “will keep the sanctions in place” pending democratic reforms in that country. Vice President Gore touts how he “pushed for a new policy exempting food and medicine from U.S. unilateral sanctions” but does not mention that this policy was far less than the full demands of the agricultural community and did not allow meaningful commercial trade with Cuba either.

Concentration

Agribusiness mergers, food-company acquisitions and vertically-integrated production are hot-button issues, and not just among traditionally Democratic-leaning farm groups. Both candidates speak to the subject (Gov. Bush calls concentration “a growing concern among farmers and ranchers”), and broadly favor mandatory livestock price reporting. But a Gore administra-

tion would seek new legal authorities to combat concentration, whereas Gov. Bush wants to make sure “*existing* anti-trust laws are enforced.” (Emphasis added.)

Freedom to Farm

Gov. Bush’s statements on the current “freedom to farm” law are not the full-throated defense that might have been expected when prices were higher. His approach is similar to that of most Congressional Republicans: Defend those aspects of the bill that remain popular, say little about those that are not, and stand ready to supplement the bill with large cash payments. The Bush campaign says: “While the 1996 Farm Bill reversed decades of supply control management, and unleashed U.S. farmers to plant in response to market demand, a critical component is still missing – a way for farmers to manage the cyclical downturns in the farm economy ... [M]oving toward a more market-based farm economy requires a strong safety net.”

Republicans have increasingly hedged their defense of “freedom to farm” as commodity prices have fallen. Democrats, by contrast, were largely silent for the law’s first two seasons when prices were high and the Republican policy was popular. As prices fell, Democrats began to remember how strongly they had opposed the 1996 law all along. Thus the Vice President: “[T]he ‘Freedom to Farm’ Act devised by the Republican Congress is seriously flawed and should be changed ... [T]he Republican approach to agriculture is misguided and wholly inadequate in a climate of declining crop prices and turmoil in overseas markets.”

Rhetoric, of course, usually overstates substantive differences. In this case, Gov. Bush does not advocate laissez-faire and Vice President Gore offers no populist calls for the tight supply controls that were sometimes Democratic staples in the past. Instead, mirroring their parties in Congress, the Governor supports supplementary cash payments, but modeled on

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“freedom to farm” payments. Meanwhile, the Vice President also supports supplementary cash payments, but tied to farmers’ actual production and related to five-year average crop income calculations. The disagreement among the candidates thus centers around whether income support should be “decoupled” as it is now, or “coupled” as it used to be. For farm policy specialists, these may be large differences, but for most voters – perhaps even many farm and ranch voters – the issue is less than theological.

Neither candidate could be accused of departing very far from his party’s Congressional consensus on major farm policy topics. Gore, in fact, cites two prominent Democratic Senators by name in his policy proposals. Supporting the concept of what are sometimes called “green payments,” he advocates “conservation incentive payments along the lines of those in Sen. Harkin’s Conservation Security Act ...” Elsewhere, the Vice President says his plan for supplementing the safety net would be “similar to that proposed by Sens. Harkin and Daschle ... to increase payments as crop prices or yields fall and to direct them to farmers actually producing crops ...” He also calls for “basing payments on net farm income measured against commodity-specific five-year averages,” a similar but distinct concept pushed by the ranking Democrat on the House Agriculture Committee, Rep. Charles Stenholm of Texas.

Bush also picks up themes that have been sounded repeatedly by Congressional Republicans. Emphasizing that farmers need more than just traditional farm policy, he singles out the Farm and Ranch Risk Management (FARRM) accounts championed by Sen. Charles Grassley of Iowa and others.

The Bipartisan Safety Net

Borrowing an Administration catchphrase, Gov. Bush speaks of a “strong safety net” about as often as does Vice President Gore. Neither candidate is talking about the end of farm programs, nor does either say that too much money is now being spent on them. The dividing line between them is perhaps best captured in the infelicitous word “countercyclical,” which is what most Democrats want farm program benefits to be. Countercyclical benefits, varying with crop prices or outputs or both, can be more stabilizing and smooth out the peaks and valleys of the farm economy, their advocates contend. By contrast, supporters of fixed payments like those in the “freedom to farm” law say that countercyclical payments will eventually lead to the return of rigid crop-by-crop planting rules, with supply controls reintroduced in order to limit otherwise open-ended spending. This argument is fated to go on for a while regardless of who wins the election, and indeed its outcome may be more influenced by partisan control of Congress than by who sits in the White House.

The issues the nation faces, of course, are much broader and deeper than the formulas used to make payments to farmers. As always, the quadrennial choice of a national leader brings forth cynicism and hyperbole in about equal measure. It remains, though, a momentous choice, giving Americans an opportunity to choose their future and participate in history.

Randy Green is the firm’s senior government relations representative. Before coming to McLeod, Watkinson & Miller, he was chief of staff for the Senate Committee on Agriculture, Nutrition and Forestry, and served during 1992 as deputy under secretary of Agriculture for international affairs and commodity programs.

Richard Pasco, from Page 1**Citrus Production in the United States & Argentina**

The United States produces about 23% of the world's lemons, 63% of the world's grapefruit, and 28% of the world's oranges. In 1998, the United States produced 935,000 tons of lemons, 2,626,000 tons of grapefruit and 13,857,000 tons of oranges. For the 1997-1998 marketing year, the production value of lemons was \$243 million, while grapefruit was valued at \$234 million, and oranges at \$2 billion. The six citrus producing states are Arizona, California, Florida, Louisiana, Texas and Hawaii.

California produces nearly 90% of U.S. production of lemons, and Arizona produces the remainder. California supplies about 70% of the U.S. market for lemons.

Argentina is the world's largest lemon producer -- growing more than a quarter of the world's total crop of lemons and supplying about a fifth of the international export market. Buyers of Argentina's lemons, which come mostly from the foothills of the Andes mountains, include Australia, Israel and Western and Eastern Europe. Other large providers of lemons include Spain, Italy, Turkey and Greece.

USDA's action is expected to result in imports of at least one million cartons of lemons into the United States this year. The Argentine citrus industry hopes eventually to export up to two million boxes of lemons to the United States annually. Argentina is a more marginal supplier of grapefruit and oranges, producing only 6% of the world's grapefruit and only 2% of the world's oranges.

The Former Ban on Argentine Citrus Fruit Imports

The ban on citrus from Argentina was initially imposed to prevent fruit-damaging diseases from entering the United States. Argentina's

lemons were banned from the entry to the United States because of cancrrosis, a highly contagious citrus canker that can cause defoliated crops, blemished fruit, reduced quality and premature fruit drop.

USDA Opens Door to Argentine Citrus Imports

After nearly two years of consideration, USDA announced in June 2000 that it was allowing Argentina to export its citrus to the United States beginning in August (see June 15, 2000 Federal Register pp. 37608-37669). USDA's rule amends citrus fruit regulations by recognizing a citrus growing area within Argentina as being free from citrus canker. Specifically, USDA's action allows citrus from four Argentine states that it determined were free of cancrrosis, a highly contagious disease that can badly damage citrus fruit.

The changes to the citrus fruit regulations allow grapefruit, lemons, and oranges to be imported into particular continental United States from Argentina. The first shipments of lemons that are eligible to be distributed in 34 northern states arrived in Philadelphia on August 18.

Under USDA's final rule, Argentine citrus cannot be shipped to the five citrus producing states of Arizona, California, Florida, Louisiana and Texas until 2004. However, ten neighboring states can receive Argentine citrus when Argentina begins shipping fruit in May/June of 2002.

USDA determined that the risk presented by the importation of Argentine citrus in accordance with a "systems approach is negligible." USDA officials gave assurances that diseased citrus will not enter the United States from Argentina, and that Argentina must conform to monitoring of crops. In addition, USDA's Animal and Plant Health Inspection Service (APHIS) developed a "systems approach" to importing Argentine citrus, which uses a series of risk-mitigating measures intended to individually and cumulatively reduce pest risk.

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In response to domestic citrus industry concerns over the use of a systems approach “in a situation where both diseases and insect pests exist in a foreign production area,” USDA agreed to institute a limited distribution plan that delays the entry of Argentine citrus into citrus-producing areas in the continental United States until 2004. USDA also requires that Argentine fruit carry a sticker identifying the packinghouse in which the fruit was packed to make USDA’s limited distribution scheme enforceable.

Citrus Growers File Suit to Reinstate Import Ban

The lifting of the ban on Argentine citrus angered a number of California citrus growers. A group of California and Arizona growers filed suit against the USDA in order to reinstate the prohibition on Argentine citrus. These U.S. citrus growers are concerned that the importation of citrus into the United States leaves domestic orchards vulnerable to tree-killing diseases, such as citrus canker.

The issue is a sensitive one for U.S. growers, who have already battled a bacterium that caused citrus canker and forced the destruction of whole citrus groves in Florida. Other bacteria have damaged vineyards in California and an imported virus has infected northeastern peach and plum orchards. Joel Nelson, president of California Citrus Mutual, a growers’ group, has stated: “We want to maintain our viability to compete. Once that disease is introduced, you’re quarantined, you lose your groves, and you can’t ship.”

On July 26, four California citrus growers and a coalition of more than 5,000 other growers of lemons, oranges, and grapefruit in Arizona and California filed suit challenging USDA’s final rule on Argentine citrus imports. In seeking declaratory relief, the plaintiffs not only allege that the rule is unlawful, but argue that it:

“[T]hreatens the livelihood of these growers and the capital investment they have made in their groves – by authorizing the importation of citrus fruits from areas of Argentina where, as APHIS concedes, multiple plant pests and diseases not present in the United States are prevalent...”

The introduction of these insect pests and diseases into plaintiff’s groves could have catastrophic and essentially irreparable consequences. No one knows how to eradicate one of these diseases, Citrus Black Spot (“CBS”) once it is introduced.”

According to Pierre Tada, co-chairman of the U.S. Citrus Science Council, “USDA’s rule is completely unprecedented.” He argues that “USDA is allowing the importation of citrus from areas that admittedly are infested with serious diseases and pests.”

The Senate Takes Action to Review USDA Rule on Argentine Imports

Sen. Barbara Boxer (D-CA) criticized USDA’s action as a threat to California groves, and inserted a provision into the FY 2001 Agriculture Appropriations Bill that prevents imports after October 1, until a scientific peer review study is completed. The amendment approved by voice vote in the Senate on July 20, provides that USDA funds may not be used to implement or administer the final rule on Argentine imports “until such time as USDA completes an independent peer review of the rule and the risk assessment underlying the rule.”

The U.S. Citrus Science Council wants to suspend the USDA rule until it has been subjected to review by a panel of experts outside of APHIS, which developed the final rule that allows Argentine citrus imports. The scientists reviewing the rule would include members of the academic community, the private sector or other

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federal agencies with expertise in the area of pests and/or risk assessment.

Major U.S. Ag Groups Rally Behind Argentine Imports

The end of the prohibition on Argentine citrus pleased other U.S. agricultural interests, who hope that Argentina will soon lift its own import bans on commodities such as peaches and pork. These agricultural groups are concerned that the Senate provision, as currently written, would provoke U.S. trading partners to use scientific review as a pretext for blocking access to their markets for a variety of U.S. exports.

Thus, 27 farm organizations and food companies signed a joint letter on August 25, in opposition to the Senate amendment calling for scientific peer review of USDA's decision. This letter to the House and Senate Appropriation Subcommittees urges members of Congress to eliminate the Boxer amendment.

Sunkist Growers, Inc., a major U.S. marketing cooperative of citrus fruit with more than 6,500 grower members, is opposing the continuation of an import ban called for in the Senate Agriculture Appropriations Bill. However, it also is offering compromise language tailored to address objections raised to the science underlying USDA's final rule which opened the U.S. market to Argentine citrus. It has been reported that Sunkist would favor language setting up an independent scientific body to review USDA's rule, provided that it does not suspend the rule or disrupt authorized trade. Many members of the Sunkist cooperative and some members of the cooperative's board of directors are also members of the U.S. Citrus Science Council, which is lobbying for the preservation of the Boxer provision.

Observations

The underlying issue is whether the USDA acted properly in granting access to Argentine citrus imports. Only a court of law can decide this issue conclusively. Interested stakeholders will have to wait until the court's decision, while Argentina continues to ship its citrus to the United States, unless California members of Congress are successful in blocking imports until scientific peer review is completed.

No provision of the House-passed Agriculture Appropriations bill corresponds to the Boxer amendment. During September, Members of the Appropriations Committees will try to reconcile the different versions of the bill passed by the two chambers.

Richard Pasco is an attorney in the firm specializing in environmental, food, agricultural, trade and property issues.

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