

## FOOD SECURITY ACT OF 1985

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The purpose of this act is two-fold: To support farm income and at the same time regain recently lost foreign markets with competitive prices. This is an expensive piece of legislation trying to meet the two objectives while reducing excessive surpluses at the same time.

The Act became necessary because of a series of events. President Carter's wheat embargo because of the Russian invasion of Afghanistan, the over-valued dollar (high interest rates from record deficits, etc.), highly subsidized exports from competing nations, over production not only from a series of good weather years and new highly productive wheat and rice developments but arbitrary overpricing by governments (EEC with wheat, China with cotton, Japan with rice, United States with high target prices), and lack of access to markets in other countries.

This program has four more years to go which is not much time to resolve the problems of the agricultural world, but the most encouraging happening is the agreement in Uruguay recently to put GATT (General Agreement on Tariffs and Trade) for agriculture on a fast track meaning two years. It takes the pressure of this farm act to keep those negotiations on track so that agriculture is truly a real part of GATT and our farmers can have a free and fair playing field as they compete in the world market.

At this moment rice appears to be moving very well into world markets as is cotton. Wheat and the feed grains activity remains to be seen. All of us here are affected by world markets whether we grow alfalfa for only the domestic market or not. If other commodities are doing well price wise, so will alfalfa. The Dairy Termination Program is another program dependent on the world movement of cheese and other dairy products, and certainly alfalfa is affected in the short term by the immediate reduction of consuming cows.

Turning to haying and grazing on conserving use and set aside land. Generally, conserving use designation is not a requirement of idling production for government payment or loan. Therefore, the haying authorization on conserving use land is merely allowing that farmer with such a designation to continue making his best market decision for his farm plus protecting his base for the future. He must still idle his required acreage and not be allowed to hay on set aside. The exception to this explanation is the 50-92 part of the law that does allow the haying of alfalfa on land that he is getting partial payment on. He picks up 92% of his earned payment by growing 50% or more of his allowed acreage. Hopefully he will make the best market place decision open to him. Grazing on Agriculture Conservation Reserve (set aside) 7 months of the year is allowed by law, and I believe we should give farmers their best shot at increasing their income.

Alfalfa growers should check a very important part of this farm bill immediately with ASCS county offices. That is the sodbuster section and how it affects you. You might be a sodbuster plowing out alfalfa under certain conditions. This conservation section of the law is aimed at reducing erosion on highly erodible land. The United States Department of Agriculture effort is to help farmers to effect a conservation plan on their farm.

In conclusion, I believe this agriculture act coming at the same time as the GATT negotiation gives farmers a reason to look forward to a future for the market place and not a future of being harassed by government program changes and objectionable taxpayer payments continually cited in the press. The opportunity and responsibility of Trade Representative Clayton Yuetter and Secretary of Agriculture Richard Lyng is both exciting and very real in the future of farmers.