

AFTER THE U.S. FARM BILL: Habitat, conservation and the challenge of rising prices.

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IT IS A SPECIAL PLEASURE TO BE BACK IN SLOVENIA. I COVERED SLOVENIA MORE THAN 30 YEARS AGO WHEN I WAS THE EAST EUROPEAN CORRESPONDENT OF THE WASHINGTON POST BASED IN BELGRADE. I WISH I COULD REPORT THAT I CAME OFTEN TO LLUBLJANA TO WRITE ABOUT POLITICAL AND ECONOMIC DEVELOPMENTS. IN FACT, I CONFESS THAT I USUALLY CAME FOR THE SKIING. WHENEVER THE WINTRY GREYNESS OF BELGRADE GOT TOO MUCH FOR ME AND MY FAMILY, WE HEADED FOR THE SLOPES AT KRANJSKA GORA. AND AFTER A FEW DAYS OF ALPINE AIR, GOOD FOOD AND PLENTY OF GOOD SLOVENIAN WINE, I RETURNED TO BELGRADE GREATLY REFRESHED. SO I SAY, WITH ENTHUSIASM, “NA SLOVENSKOM SMO MI GOSPADAR!!”

I NEVER EXPECTED TO RETURN TO A LJUBLJANA THAT WAS THE CAPITAL OF EUROPE, OR TO FIND A CITY IN THE MIDDLE OF SUCH AN ECONOMIC AND CULTURAL BOOM. THIS IS WONDERFUL AND EXCITING AND ALSO A LITTLE SCARY. SLOVENIA IS AN ENVIRONMENTAL JEWEL. PROTECTING ITS EXTRAORDINARY NATURAL RESOURCES WILL BE A CONSTANT CHALLENGE AS DEVELOPMENT AND NEW WEALTH POSE THEIR INEVITABLE CHALLENGES TO HABITAT.

I SAY THIS AS AN AMERICAN JOURNALIST WHO COMES FRESH FROM WITNESSING AN EXAMPLE OF HOW QUICKLY GOOD ENVIRONMENTAL POLICY GETS BRUSHED ASIDE WHEN POWERFUL NEW ECONOMIC FORCES ENTER THE PICTURE. I HAVE BEEN CLOSELY FOLLOWING THE U.S. FARM BILL, WHICH PRESIDENT BUSH VETOED LAST WEEK BUT WHICH CONGRESS, ASSERTING ITS CONSTITUTIONAL PREROGATIVE, PASSED OVER HIS OBJECTION.

AMERICA IS NOT EUROPE OF COURSE. AGRICULTURE IS VERY DIFFERENT AND THE EUROPEAN ENVIRONMENTAL MOVEMENT, EXEMPLIFIED BY ORGANIZATIONS SUCH AS BIRDLIFE, IS STRONG. BUT AGRICULTURE POLICY ON THE TWO SIDES OF THE ATLANTIC AS IT PERTAINS TO CONSERVATION HAS HAD A TENDENCY TO OVERLAP TO SOME EXTENT. SO I WANT TO HOLD UP THE FARM BILL AS A KIND OF DISTANT MIRROR THAT MAY REFLECT A FEW OF THE CHALLENGES THAT CONSERVATIONISTS WILL FACE HERE AS THE EUROPEAN UNION PERFORMS ITS ‘HEALTH CHECK.’.

. THE AMERICAN FARM BILL CONTAINS SOME GOOD THINGS FOR CONSERVATION. .THERE IS, FOR EXAMPLE, A STRENGTHENED EMPHASIS ON PROTECTING SOIL, WATER AND HABITAT ON WORKING FARMS – NOT JUST SETTING LAND ASIDE. THE CHAIRMAN OF THE AGRICULTURE COMMITTEE OF THE UNITED STATES SENATE, TOM HARKIN, WAS INSPIRED

BY THE EUROPEAN MODEL OF MAKING GOVERNMENT PAYMENTS TO FARMERS CONTINGENT ON THEIR ABIDING BY WATER QUALITY AND OTHER ENVIRONMENTAL PROVISIONS. HIS "CONSERVATION STEWARDSHIP PROGRAM" IS NOT NEW. BUT IT GOT A STRONG VOTE OF CONFIDENCE IN THE NEW LEGISLATION. IT AUTHORIZES SPENDING OF MORE THAN \$1 BILLION A YEAR AND BY THE END OF 10 YEARS ONE ACRE IN 10 (1 ACRE=0,4 HECTAR) OF PASTURE OR CROPLAND IN THE UNITED STATES COULD BE ENROLLED IN THIS PROGRAM.

UNFORTUNATELY, THE FARM BILL ALSO BEARS THE IMPRINT OF NEW AND LESS POSITIVE FACTORS DRIVING THE POLITICS OF AGRICULTURE. NATIONAL WILDLIFE FEDERATION PRESIDENT SCHWEIGER CALLED THE BILL 'A RECIPE FOR DISASTER FOR WILDLIFE.' MY FRIEND KEN COOK, PRESIDENT OF THE ENVIRONMENTAL WORKING GROUP SUMS IT UP THIS WAY: We're facing a real crisis in conservation and environmental protection in the heartland now from the pressure high crop prices are putting on farmland, water and wildlife. The farm bill was our only real opportunity to ameliorate some of that pressure but Congress all but ignored please from conservation and environmental groups. MANY OF YOU MAY KNOW KEN AND HE SENDS GREETINGS TO BIRDLIFE, WHICH HE GREATLY ADMIRES.

ONE OF THE NEW FACTORS, OF COURSE, IS THE SURGING NEW BIOFUELS INDUSTRY... IN THE UNITED STATES BIOFUELS IS ALREADY A BILLION DOLLAR A YEAR INDUSTRY THAT IS GROWING BY THE DAY. THERE ARE 147 BIOFUELS REFINERIES WITH ANOTHER 55 UNDER CONSTRUCTION OR BEING EXPANDED. LAST YEAR THE INDUSTRY GOBBLED UP A QUARTER OF THE U.S. CORN CROP. NEXT YEAR, IT COULD TAKE ONE-THIRD. THE NEW FUEL VERSUS FOOD ECONOMY IS ILLUSTRATED BY AN ILLUSTRATION I SAW RECENTLY, SHOWING CORN POURING OUT OF A GASOLINE NOZZLE AT A FUELING STATION.

RECENTLY I VISITED A FARM IN SOUTH DAKOTA THAT WAS SWITCHING FROM WHEAT TO CORN. BY THE MIDDLE OF NEXT YEAR, THERE WILL BE THREE ETHANOL REFINERIES WITHIN TRUCKING DISTANCE OF THAT FARM... TO SUPPLY THOSE PLANTS TO FULL CAPACITY, FARMERS WILL NEED TO HARVEST ABOUT 3,000 SQUARE KILOMETERS OF LAND, GIVEN CURRENT CORN YIELDS IN THAT PART OF THE COUNTRY. THAT IS AN AREA EQUAL TO THE SIZE OF THE ENTIRE U.S. STATE OF RHODE ISLAND. ONE CANNOT SHRUG OFF THE ENVIRONMENTAL CONSEQUENCES OF THAT. TO QUOTE JULIE SIBBING OF THE U.S. NATIONAL WILDLIFE FEDERATION, 'IF IT CAN GROW CORN, THEY'RE GOING TO GROW CORN ON IT.'

BUT ETHANOL PLANTS ARE GOING IN EVEN WHERE CORN DOES NOT GROW EASILY. FOR EXAMPLE, WEST OF BISMARCK, NORTH DAKOTA, YOU FIND YOURSELF IN TRADITIONAL WHEAT, BARLEY AND OATS COUNTRY. YOU ARE NEAR THE WESTERN EDGE OF THE GREAT PLAINS. IT IS NOT IDEAL FARMING COUNTRY. RAINFALL IS MINIMAL AND THE OGALLALA AQUIFER-- A DEEP BUT RAPIDLY DEPLETING UNDERGROUND RESERVOIR TAPPED BY FARMERS IN EIGHT GREAT PLAINS STATES-- DOES NOT REACH

THAT FAR NORTH. SMALL GRAINS SUCH AS WHEAT STRUGGLE ALONG. YET AN ETHANOL PLANT RECENTLY OPENED RIGHT THERE. THE REASON, IN A WORD, IS COAL. CHEAP COAL THAT CAN BE BURNED TO MAKE ELECTRICITY FOR THIS PLANT. AND WHAT ABOUT THE RAW MATERIALS? MOST OF THE CORN IS HAULED BY TRUCK FROM MINNESOTA, SEVERAL HUNDRED MILES AWAY. IN OTHER WORDS, LOTS OF COAL AND GASOLINE GO INTO PRODUCING ETHANOL AT THAT LOCATION. THAT'S A LOT OF CARBON. BUT BEYOND THAT, THE PRESENCE OF THE ETHANOL PLANT HAS RESULTED IN SOME LOCAL FARMERS STARTING TO PLANT CORN, IN SOME CASES PLOWING UP VIRGIN PRAIRIE TEEMING WITH WILDLIFE. NOBODY WOULD HAVE DREAMED OF THIS A DECADE AGO, BUT THIS IS A SIDE EFFECT OF THE ETHANOL BOOM.

IF CONGRESS IS TROUBLED ABOUT THE IMPACT OF ALL THIS ON LAND AND HABITAT, HOWEVER, THERE WERE FEW SIGNS OF IT IN THE FARM BILL. BIO-EUPHORIA MAY HAVE BEGUN TO FADE AMONG SCIENTISTS, ENVIRONMENTALISTS AND EVEN PARTS OF THE PUBLIC. BUT THE COMMITMENT TO BIOFUELS REMAINS EXTREMELY STRONG IN THE POLITICALLY POWERFUL FARM BLOC. ALMOST SINCE ITS BEGINNING MORE THAN 20 YEARS AGO, THE ETHANOL INDUSTRY HAS BEEN NURTURED BY A WEB OF SUBSIDIES AND TRADE PROTECTIONS. AS CORN PRICES ROSE RAPIDLY OVER THE LAST YEAR, PRESSURES GREW FROM THE EGG, PORK, POULTRY AND BEEF INDUSTRIES TO BEGIN DISMANTLING SOME OF THESE. BUT IN THE NEW FARM BILL, LAWMAKERS APPEAR TO HAVE LEANED TOWARD DEALING WITH THIS CRISIS BY ENCOURAGING FARMERS TO EXPAND THE ACRES THEY PLANT, NOT BY TRYING TO SLOW THE GROWTH OF ETHANOL.

THE LEGISLATION EXTENDS FOR TWO YEARS A 54-CENTS A GALLON TARIFF ON ETHANOL IMPORTED FROM BRAZIL. THAT HAS REAL CONSEQUENCES FOR HABITAT. THINK OF IT THIS WAY. A BUSHEL OF CORN MAKES ABOUT 2.7 GALLONS OF ETHANOL. FIGURING CORN YIELDS OF 150 BUSHELS AN ACRE, THE U.S. COULD FREE AN ACRE OF LAND FOR FOOD PRODUCTION – OR HABITAT PROTECTION – FOR EVERY 400 GALLONS OF ETHANOL IT IMPORTS. THE CORN LOBBY LIKES PRICES AT \$5 TO \$6 A BUSHEL, MORE THAN TWICE THE HISTORIC LEVEL. AND IMPORTING MORE ETHANOL IS SEEN AS PUTTING THOSE PRICES AT RISK.

AT THE SAME TIME, THE FARM BILL MAKES ONLY A TOKEN REDUCTION IN THE FEDERAL TAX CREDIT THAT GASOLINE BLENDEES GET FOR USING ETHANOL IN THEIR FUEL MIXES. THE LIVESTOCK INDUSTRY, WHICH HAS FELT THE BRUNT OF HIGH CORN PRICES, WANTED MORE. BUT ETHANOL PROVED STRONGER POLITICALLY.

THE OTHER NEW FACTOR IN AGRICULTURAL POLICY IS, OF COURSE, THE BROADER SPIKE IN FOOD PRICES. AMERICAN ECONOMISTS GENERALLY AGREE THAT ETHANOL IS NOT THE SOLE CULPRIT. CHANGING DIETS IN ASIA, RISING ENERGY COSTS AND A CHEAP DOLLAR HAVE PUT TREMENDOUS STRAINS ON THE U.S. FOOD SYSTEM. SAD TO SAY, IT APPEARS THOSE STRAINS ARE SOON TO BE TRANSMITTED TO THE

NATION'S ABUNDANT WILDLIFE POPULATIONS. IN APRIL, WHEN WHEAT PRICES HIT AN ALL-TIME HIGH OF MORE THAN \$20 A BUSHEL, THE AMERICAN BAKERS ASSOCIATION RESPONDED BY DEMANDING GOVERNMENT ACTION TO BRING DOWN FLOUR PRICES. TOP AMONG THE BAKERS' DEMANDS WAS THAT THE SECRETARY OF AGRICULTURE ALLOW FARMERS TO WITHDRAW LAND WITHOUT PENALTY FROM OUR CONSERVATION RESERVE SO THAT THEY COULD PLANT MORE WHEAT.

FOR THOSE OF YOU WHO ARE NOT FAMILIAR WITH IT, THE CONSERVATION RESERVE IS ARGUABLY THE MOST SUCCESSFUL HABITAT ENHANCEMENT PROGRAM IN THE HISTORY OF THE UNITED STATES. PRIOR TO ITS ESTABLISHMENT IN 1985, THE GOVERNMENT HAD PAID FARMERS TO IDLE LAND, BUT USUALLY ONLY ONE YEAR AT A TIME, FOR PURPOSES OF PREVENTING SURPLUSES OF AGRICULTURAL COMMODITIES. THE CONSERVATION RESERVE USES CONTRACTS WITH FARMERS AND LANDOWNERS TO RETIRE SENSITIVE CROPLAND AND PASTURE FOR A MINIMUM OF 10 TO 15 YEARS. IN 2004, A STUDY CONCLUDED THAT SOIL EROSION WOULD INCREASE BY 220 MILLION TONS A YEAR IF THE PROGRAM ENDED. IN JUST FOUR YEARS, FROM 1991 TO 1995, BIRD ABUNDANCE IN CONSERVATION LAND WAS 1.4 TO 10.5 TIMES GREATER THAN ON CROPLAND. DUCK AND PHEASANT POPULATIONS INCREASED BY MILLIONS.

I AM A POLITICAL JOURNALIST, NOT A CONSERVATION EXPERT. BUT THOSE STATISTICS LEAVE NO DOUBT ABOUT THE PROGRAM'S SUCCESS. YET WE MAY HAVE SEEN ITS HIGH WATER MARK. ALTHOUGH 39 MILLION ACRES (15.6 MILLION HA) WERE AUTHORIZED FOR THE RESERVE IN THE PREVIOUS FARM BILL, ENROLLMENT NEVER WENT MUCH ABOVE 36 MILLION ACRES. THE BUSH ADMINISTRATION ENROLLED ALMOST NO NEW LAND IN THE LAST THREE YEARS, EXCEPT FOR SOME ESPECIALLY SENSITIVE LAND, AND IT HAS REFUSED TO RAISE THE ANNUAL RATE PAID TO LANDOWNERS TO ENABLE THE RESERVE TO COMPETE WITH THE RISING RENTS LANDOWNERS CAN GET FROM FARMERS. THE NEW FARM BILL SHARPLY REDUCES THE AUTHORIZED LEVEL TO 32 MILLION ACRES, AND SOME PREDICT THE AMOUNT COULD SHRINK INTO THE 28 MILLION ACRE RANGE IF COMMODITY PRICES STAY HIGH AND FARMERS KEEP REMOVING LAND FROM THE RESERVE WHEN THEIR CONTRACTS EXPIRE.

A LOT OF THAT LAND IS IN THE FRAGILE—BUT HABITAT RICH—WESTERN FARM BELT. CONGRESS ONLY MADE THIS SITUATION WORSE IN THIS FARM BILL BY CREATING A LUCRATIVE NEW PROGRAM—PUSHED THROUGH BY POWERFUL SENATORS FROM NORTH DAKOTA AND MONTANA—THAT SETS ASIDE BILLIONS OF DOLLARS TO PAY FARMERS WHO LOSE CROPS DUE TO DROUGHT. WITH THAT HANDY SAFETY NET TO FALL BACK ON, THERE'S LESS REASON FOR FARMERS IN THOSE DRY, GRASSY, MARGINAL REGIONS TO KEEP LAND IN THE RESERVE. UNCLE SAM WILL BAIL THEM OUT IF WEATHER FAILS TO COOPERATE.

UNDER PRESSURE FROM FARM GROUPS AND THE LIVESTOCK INDUSTRY, CONGRESS ALSO STEPPED BACK AT THE LAST MINUTE FROM

WHAT MANY CONSIDER A LAST-DITCH ATTEMPT TO SAVE THOUSANDS OF ACRES OF SOME OF THE WORLD'S MOST PRECIOUS BIRD HABITAT. THE "PRAIRIE POTHOLE REGION," ONCE ONE OF THE WORLD'S LARGEST GRASSLANDS, STILL IS A CRITICAL BREEDING GROUND FOR DOZENS OF BIRD SPECIES, INCLUDING PINTAIL AND MALLARDS DUCKS.

A NEW 'SOD-SAVER' PROGRAM WOULD HAVE DENIED GOVERNMENT-SUBSIDIZED CROP INSURANCE TO FARMERS IN THAT REGION WHO TEAR UP VIRGIN GRASSLANDS TO PLANT CROPS. IT WAS A VERY MODEST FIRST STEP. THE PROGRAM WOULD NOT HAVE PROHIBITED PLOWING UP PRAIRIE, ONLY HAVING THE GOVERNMENT SUBSIDIZE SUCH FARMING. BUT WITH COMMODITY PRICES HIGH, KEY LAWMAKERS FROM GEORGIA AND VIRGINIA – BOTH MAJOR POULTRY RAISING STATES – OBJECTED. "I WANT THAT LAND TO FEED MY CHICKENS," WAS THE WAY ONE LAWMAKER REPORTEDLY PUT IT. ACCORDING TO SCOTT STEPHENS OF DUCKS UNLIMITED, 3.3 MILLION MORE ACRES OF NATIVE GRASSLAND COULD BE LOST OVER THE NEXT FIVE YEARS IF COMMODITY PRICES STAY HIGH.

BIOFUELS AND RISING PRICES ARE A KIND OF ONE-TWO PUNCH FOR CONSERVATIONISTS ON BOTH SIDES OF THE ATLANTIC WHO ARE TRYING TO DEFEND AND EXTEND THE GAINS OF RECENT YEARS. THIS WAS A YEAR OF MIXED SUCCESS. BUT THERE ARE, PERHAPS, SOME USEFUL LESSONS TO BE DRAWN FROM THAT.

ONE IS THAT IT IS IMPORTANT TO FOLLOW THE FAMOUS ADVICE OF BENJAMIN FRANKLIN, THE GREAT AMERICAN FOUNDER WHO ADVISED PATRIOTS DURING THE REVOLUTION TO "HANG TOGETHER OR WE WILL ALL HANG SEPARATELY." THAT ISN'T EASY WHEN IT COMES TO FARM LEGISLATION. THE DILEMMA FOR CONSERVATION GROUPS IS THE SAME ON BOTH SIDES OF THE ATLANTIC: TO WORK CLOSELY WITH THE FARM LOBBY IN HOPES OF WINNING ITS BLESSING FOR CONCESSIONS – OR JOIN THE FORCES THAT ARE WORKING FOR BROADER REFORMS THAT, IN THE LONG RUN, COULD PRODUCE LONG-STANDING AND BROAD STRUCTURAL CHANGE THAT WOULD BENEFIT HABITAT.

NOBODY SHOULD PRETEND THAT CHOICE IS EASY. THE AGRICULTURAL LOBBY CAN THREATEN AND PUNISH, AS WELL AS REWARD. ONE U.S. WILDLIFE GROUP LEARNED THAT THE HARD WAY IN 2001 AND 2002, WHEN IT JOINED A REFORM COALITION TRYING TO STEER FARM SUBSIDY MONEY TO CONSERVATION. LARGE-SCALE RICE FARMERS ON ITS BOARD OF DIRECTORS OBJECTED, AND, ALLEGEDLY, A KEY MEMBER OF THE AGRICULTURE COMMITTEE WHO WAS CLOSE TO THE RICE INDUSTRY THREATENED THE GROUP WITH A LOSS OF TECHNICAL ASSISTANCE. THIS YEAR, ONE MAJOR ENVIRONMENTAL GROUP SAT OUT THE BATTLE OVER THE FARM BILL ALTOGETHER, UNWILLING TO OFFEND THE NEWLY INSTALLED DEMOCRATIC LEADERSHIP IN CONGRESS, FROM WHICH IT WAS SEEKING HELP ON OTHER ISSUES, SUCH AS GLOBAL WARMING.

WHAT STARTED AS A FARM BILL DEBATE WHERE BROAD STRUCTURAL CHANGE SEEMED POSSIBLE – SHIFTING MORE FUNDS TO CONSERVATION AND AWAY FROM ANNUAL, AUTOMATIC DIRECT PAYMENTS TO FARMERS--ENDED WITH THE CONSERVATION GROUPS QUITE DIVIDED. THE FARM BLOC PLAYED ITS CARDS WELL, DIVVYING OUT CONCESSIONS WHERE NECESSARY, PLAYING TOUGH AT OTHER TIMES. DOES THIS SOUND FAMILIAR TO EUROPEAN EARS? POSSIBLY SO, THOUGH I HOPE NOT.

BUT UNITY AND COALITION BUILDING MAY WELL BE MORE IMPORTANT THAN IT HAS EVER BEEN BEFORE. HIGH PRICES AND THE BIOFUELS REVOLUTION PRESENT THE CONSERVATION MOVEMENT WITH A CRISIS SITUATION, AND ITS STRONGEST CHALLENGE IN SEVERAL DECADES.

IN THE BATTLES TO COME, IT WILL BE IMPORTANT TO CREATE BROAD ALLIANCES—EVEN UNUSUAL ALLIANCES. IN THE RECENT FARM BILL BATTLE, LEFT AND RIGHT SOMETIMES CAME TOGETHER. THE ENVIRONMENTAL WORKING GROUP ON THE LEFT CAME TOGETHER WITH THE CONSERVATIVE, PRO-BUSINESS CLUB FOR GROWTH ON THE RIGHT. RECENTLY, BUSINESS INTERESTS HAVE FINALLY BEGUN TO PUSH BACK AGAINST THE RAPID EXPANSION OF CORN ETHANOL REFINING. A GROUP OF 26 SENATORS – INCLUDING JOHN MCCAIN BUT NOT HILLARY CLINTON OR BARACK OBAMA WHO BOTH HAVE STRONG CONNECTIONS TO ILLINOIS, THE NUMBER 2 CORN STATE – JOINED THE GOVERNOR OF TEXAS IN CALLING ON THE U.S. ENVIRONMENTAL PROTECTION AGENCY TO SET ASIDE AT LEAST TEMPORARILY THE 2008 AND 2009 FEDERAL REQUIREMENT FOR ETHANOL BLENDING. THE GROUP WAS LOBBIED BY THE TEXAS OIL INDUSTRY, OF COURSE – BUT ALSO BY RANCHERS, CATTLEMEN, AND THE PORK AND BEEF INDUSTRY. THE SAME COALITION, IT SHOULD BE SAID, WOULD LIKE TO SEE MORE LAND REMOVED FROM THE CONSERVATION RESERVE. BUT THAT IS JUST THE POINT. IT SHOWS THAT THE CONSERVATION MOVEMENT CAN FORM ALLIANCES WITH UNLIKELY BEDFELLOWS ON SOME ISSUES, LIKE RESTRAINING ETHANOL GROWTH, EVEN WHEN THERE IS DISAGREEMENT ON OTHER POINTS.

I LOOK FORWARD TO THE REST OF THIS DISCUSSION.