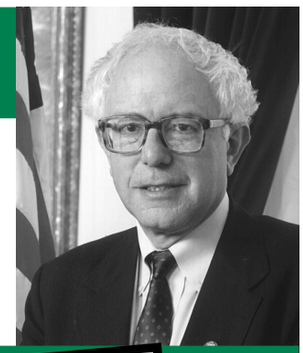
U.S. Representative

Bernie Sanders

A Special Focus on Agricultural Issues



Spring 2001

Congress of the United States
House of Representatives
Washington, D.C. 20515

Dear Fellow Vermonter,

Knowing your interest in agriculture, I wanted to briefly update you on some of the farming issues facing Congress.

Even though the economy as a whole is now starting to show signs of weakness, we know that family farmers in Vermont and across this country have been suffering with low prices and economic problems for many years. In fact, the decline of family-based agriculture in the United States is one of the most serious problems facing our country. Fewer and fewer, and larger and larger, corporate-owned agricultural entities are controlling the production and distribution of food. This is a very ominous development not only in terms of the survival of rural economies, but with respect to the whole issue of food security for our nation. Do we as a nation really want to be dependent upon a handful of huge multinational corporations producing our food?

Many of the current difficulties that family farmers are experiencing can be tied to the failed policies enacted in the 1996 Farm Bill. Called "Freedom to Farm," these policies left farmers at the mercy of the increasingly concentrated processing and retailing sectors. In Vermont, these policies contributed to the loss of 88 dairy farms last year alone – more than 5% of our total. This is despite the additional funding that dairy farmers received from the Northeast Dairy Compact and federal marketing loss payments. Dairy farmers have not been the only ones who have been hurt. So-called "free market" policies are putting significant pressure on almost all commodities. Many farmers across the country are over-producing, and seeing their prices plummet. Others are unable to compete with foreign grown products that are being dumped on the U.S. market at a price they can't compete with. (One example: in Idaho, potato prices have collapsed, and one-third of that state's potato farmers are going out of business).

Next year the Congress is scheduled to reauthorize the Farm Bill. In my view, we must abandon the failed policies of the "Freedom to Farm" concept. In its place, Congress has got to move aggressively to make certain that family-based agriculture is a vibrant part of the rural economy in the 21st Century. To that end, I look forward to working with you to develop sensible federal agricultural policies that work for family farmers in Vermont and throughout this country.

In addition to the Farm Bill, I will be working with the other Members of the Vermont delegation to secure reauthorization and expansion of the Northeast Dairy Compact. Currently the Compact is scheduled to expire at the end of September. This will not be an easy fight. The good news is that there are now 25 states who have passed dairy compacts, and many members of Congress from these states will be our allies. The bad news is that, once again, the processors and others who want cheap milk will be spending millions of dollars to kill the Compact. There is also no doubt that they will use the same distortions and untruths against us that they did several years ago. My office will be playing a leading role in the House to reauthorize the Northeast Dairy Compact.

As many of you know, Jenny Nelson, a dairy farmer from Ryegate, is my Agricultural Specialist. If you have any questions about an agricultural issue, or any other concern, please do not hesitate to contact my Burlington office at ***1 Church Street, 2nd Floor, Burlington, VT 05401, (800) 339-9834***, or my Washington office at ***2135 Rayburn House Office Building, Washington, D.C. 20515, (202) 225-4115***. You can also contact me through my website at ***bernie.house.gov***. You'll find a wealth of information there on many issues.

Sincerely yours,

Bernie

Bernard Sanders
U.S. Congressman

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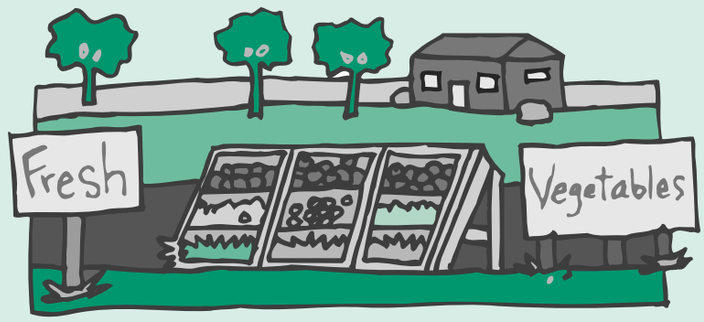
Let's Buy Local

According to the Peace and Justice Center's "Leaky Bucket" report, Vermont produced $1.2 billion in food and related products in 1997. That same year, Vermonters imported $1.8 billion worth of food. The report shows that if Vermonters bought more locally grown food it would help Vermont farmers and Vermont's economy.

Nearly three years ago, I brought together farmers, teachers, school lunch personnel and representatives of various organizations and the USDA to develop a process whereby more locally grown fruits, vegetables, meats and dairy products could be purchased by our schools. Some organizations had already been hard at work on this issue. I commend them for their efforts.



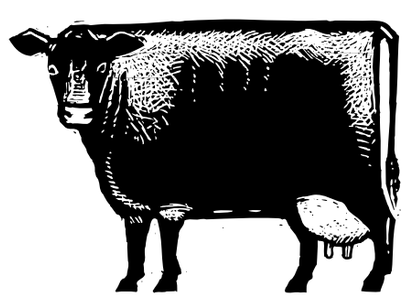
Northeast Dairy Compact to Distribute Nearly $5 Million in Supply Management Payments

As part of its supply management program, the Northeast Dairy Compact will be paying out nearly $5 million to farmers who have held the line on production or who produced no more than 1% over a year ago. (That means no more than 10,000 pounds on a million pounds of milk production!)

This money is being funded by the 7.5 cents per hundredweight assessment that has been withheld from farmers' Dairy Compact payments over the past year. How much each farmer receives will depend on how many farmers controlled their production. There are about 4000 farmers producing milk for the Compact region, some 1493 of whom are in Vermont. Those farmers who are eligible will share equally in one-half of the nearly $5 million that will be available. The other half of the $5 million fund will be divided on a hundredweight basis, with no producer receiving more than $12,000.

The Compact Commission will be providing farmers with a form to apply for their share of the fund. Farmers must verify their production between July 1, 2000 and June 30, 2001 as compared to the previous year. A production report can be requested from one's handler. Be sure to send in this form before the August 14, 2001 deadline.

Rep. Sanders urges dairy farmers to look at their production numbers. There may be an opportunity for farmers to make management decisions in the next couple of months to make sure they qualify. Remember, only farmers who have not increased their production more than 1% over last year's levels will be eligible for a share of the supply management funds. Anyone with questions should feel free to contact the Compact Commission at (802) 229-1941 or Jenny Nelson in my office.



Vermont Farmers Undertake Agritourism Diversification

Two years ago Rep. Sanders added a provision to the Agriculture spending bill to create, for the first time, a federally funded agritourism program. Bernie believes that, given low commodity prices, it is imperative that family farmers who are able to diversify their operations do so. $750,000 of the initial $1 million appropriation was awarded to Vermont based on a proposal submitted by members of the Vermont agriculture and tourism communities. That money is now used to fund a revolving loan fund to help farmers who want to use agritourism as a diversification tool. Currently, there are six Vermont farms who have submitted proposals that will receive some of these loan funds. Any farmer who has an idea for an agritourism project, or would just like to explore how or whether agritourism may be an option should contact Jackie Folsom, the Agritourism Coordinator at 888-892-6748. While agritourism is not the answer for every Vermont farmer, it can provide much-needed additional income for those who can make it work.

U.S. Trade Policy is Hurting Producers

Rep. Sanders has many concerns about U.S. trade policies with regard to agriculture. In some instances these policies work directly against the interests of family farmers in the United States, as well as harming the environment. In other cases, they destabilize subsistence farming in desperate Third World countries.

One area of specific concern has been the threat of imported ultra-filtered milk (UF milk) and casein to U.S. dairy prices. In the past, the U.S. Food and Drug Administration (FDA) has considered changing federal regulations to allow the use of UF milk in the making of certain kinds of cheese. UF milk is a milk derivative, not whole milk. Foreign producers of UF milk can offer their UF milk at a cheaper price than domestically produced milk. Allowing imported dry UF milk in the production of standardized cheeses would reduce the demand for the domestically produced milk used in cheese-making now. Any change in domestic natural cheese standards to allow dry ultra-filtered milk products or casein to be labeled as domestic natural cheese would therefore further erode our dairy farmers' already depressed milk prices.

To prevent the FDA from changing the domestic natural cheese standards, Rep. Sanders has cosponsored the Quality Cheese Act. The Quality Cheese Act would prohibit the FDA from classifying dry UF milk or casein as milk for the purposes of labeling a product as cheese.