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## Washington Scene

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The first few months of 2006 in Washington, D.C. have been dominated by a lobbying scandal, the President's State of the Union Address and subsequent budget proposal, suspected terrorist phone surveillance, and foreign ownership of U.S. Ports. From an outsider's perspective, not as much legislation is acted upon in years divisible by 2 (election years) as in non-election years. The agricultural committees have held hearings on a wide array of issues from crop insurance to biosecurity. The House Committee on Agriculture also began holding Farm Bill hearings in February. While not a lot of legislation is moving forward, there are currently several issues of interest to our profession being discussed in Washington. The following is a brief summary of some of the issues.

### Doha Round

The Hong Kong Ministerial ended in December with what most would call limited success. Most observers feel that an agreement can be reached if negotiators can accomplish the ambitious plan laid out for the rest of 2006. The timeline is as follows:

- Agree on degree of tariff cuts by April 30, 2006,
- Agree on degree of reductions in Trade Distorting Domestic Support,
- Complete work on eliminating export subsidies by agreed upon date of 2013, and
- Each country to submit its tariff schedule reductions and other reductions by July 30<sup>th</sup>.

Again, most observers feel that the end of 2006 is a fairly realistic deadline to reach an agreement by if the U.S. Congress is to vote on the agreement before Trade Promotion Authority expires in July 2007.

### Ag Disaster Assistance

Commodity organizations have asked repeatedly over the past few months for an ag disaster assistance package to provide financial assistance for losses due to weather/natu-

ral disasters, as well as financial hardship due to high energy prices. There have been a number of proposals offered thus far and each has failed to pass.

### Farm Bill

The Secretary of Agriculture held an extensive number of Farm Bill listening sessions around the U.S. during 2005. There is some speculation that he might be the first Secretary in 20 years to submit a farm bill proposal. The House Committee on Agriculture began holding Farm Bill hearings in February with the first few taking place in North Carolina, Alabama, California, and Nebraska. The Senate Agriculture Committee is expected to begin holding hearings across the U.S. later in the year. Again, observers feel that most of the work on the Farm Bill will begin in earnest after the November elections.

### Debt Ceiling Raised

After bumping up against the statutory debt ceiling of \$8.18 trillion during February, Congress raised the debt ceiling by \$781 million on March 16<sup>th</sup>. This was the fourth increase in the debt ceiling in the past five years.

### BSE

BSE again popped up with a cow in Alabama testing positive. Japan is still not importing U.S. beef following the shipment of veal that included bone material. The agreement with Japan on beef imports allowed for more BSE cases in the U.S., but not for mistakes over products shipped. So, the result is that Canada is shipping beef to Japan, but the U.S. is not. This situation will continue to frustrate all levels of participants from Congress on down.

### Animal Identification

The recent BSE case has furthered calls to force a mandatory animal identification system on the livestock industry. While most mainline groups support some kind of system,

arguments remain over costs, control, mandatory versus voluntary systems, and system details. Beyond the federal involvement, the issue has heated up on the state level in many areas. State agencies that are involved in implementing premises identification and moving the system forward are facing more opposition. Many producers, often out of the mainstream, have expressed worries about government-privacy issues, loss of control, and burdensome costs on small producers.

Senator Grassley has urged USDA to move forward implementing a system. However, Senator Chambliss has indicated that it will be a farm bill issue and could be addressed at that time.

### **Avian Influenza**

Avian influenza continues on the radar screen as the H5N1 type spreads around the world. A recent move includes stepping up funding for government monitoring of migratory birds that are thought to play a major

role in spreading the virus around the world. In the meantime, places that have found the disease have experienced large cutbacks in poultry meat demand, in spite of the effectiveness of cooking. The resulting reduced U.S. poultry exports are contributing to lower prices in the U.S. A multitude of issues around avian influenza will also continue to occupy government agencies time.