

TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Senator Max Baucus

February 6, 2003

Mr. President, I rise today to express my disappointment and dismay that the Secretary of Agriculture has failed to meet the deadline mandated by Congress to establish a program of Trade Adjustment Assistance for Farmers.

In the Trade Act of 2002, Congress directed the Secretary to get this program running by no later than this week – February 3, 2003.

Is it running? No. Is it even close to running? No.

In fact, the Department of Agriculture tells me that their anticipated start-up date is still another six months away. Meanwhile, the \$90 million that Congress set aside for this program in fiscal year 2003 has no way of reaching its intended beneficiaries. This is simply unacceptable.

Senators Grassley and Conrad recently joined me in a letter making this very point to Secretary Veneman. We told her then – and I repeat it now – that we hold her personally accountable for dropping the ball on TAA for Farmers. Frankly, I expected better.

The Trade Act of 2002 renewed the President's trade promotion authority after a lapse of eight years. In exchange for Congress's – and the nation's – renewed commitment to trade liberalization, the President agreed to expand the trade adjustment assistance program to better meet the needs of those who might be negatively impacted by trade.

A critical part of the President's commitment was the creation of a trade adjustment assistance program for farmers, ranchers, and other agricultural producers.

We all know that opening foreign markets to American agricultural products can provide great advantages to U.S. farmers and ranchers. Already, nearly one-fifth of Montana's agricultural production is exported. For Montana wheat, a full two-thirds is exported. And opening foreign markets is the best way to create new opportunities for our farmers and ranchers.

That's one reason why I have always been a strong supporter of trade liberalization and an equally strong advocate for a level playing field for our farmers in world markets.

But trade liberalization can have a downside as well. It can leave our farmers and ranchers more vulnerable to sudden import surges, devastating commodity price swings, and other countries' unfair trading practices. That is why they need this TAA program.

The Department of Labor's TAA program for workers has nominally covered family farmers, ranchers and fishermen all along. But hardly any have participated. They usually can't qualify, because they don't become unemployed in the traditional sense.

After decades of trying without success to squeeze farmers into eligibility rules designed for manufacturing workers it was time to try something new. Something that would help farmers adjust to import competition before they lost their farms.

What the Trade Act does is create a TAA program tailored to the needs of farmers, ranchers, and fishermen. Basically, the program creates a new trigger for eligibility. Instead of having to show a layoff, the farmer, rancher or fisherman has to show commodity price declines related to imports.

The trigger is different, but the program serves the same purpose as all our trade adjustment programs. It assists the farmer, rancher or fisherman to adjust to import competition, to retrain, to obtain technical assistance, and to have access to income support to tide them over during the process. And the income support is capped to make sure that the program is not being abused.

So last summer the President made a commitment – to the Congress and to the American agricultural community – to make this program a reality. I think it is fair to say that this was one of just a few key elements that got the President those critical few votes he needed to pass TPA in the House and to pass it with a strong bipartisan vote in the Senate.

And now I say to the President, and to Secretary Veneman: the farmers and ranchers of Montana – and indeed throughout America – continue to wait for your Administration to fulfill this commitment.

I hope this will happen sooner, rather than later.

Indeed, there is absolutely no excuse for a six-month delay in getting this program off the ground. There certainly wasn't a six-month delay in launching negotiations for four new free trade agreements under TPA. There shouldn't be a delay here either.

My staff and I stand ready to assist in any way we can to kick start this process. But Secretary Veneman needs to do the heavy lifting here. And that is my challenge to her today.

Thank you, Mr. President. I yield the floor.

