

NEWS RELEASE

IPC Calls for Reforms in 2007 Farm Bill

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The International Food & Agricultural Trade Policy Council (IPC) is disappointed with the version of the 2007 Farm Bill approved by the Agricultural Committee in the House of Representatives last week. If passed in its present form, the legislation will fail to open market opportunities for farmers in the US and developing countries.

“Given, in particular, the significant price increases in a number of commodities, the US has a real opportunity in the 2007 Farm Bill to liberalize its agricultural sector and correct an outdated system that no longer appropriately serves its farming community,” said IPC Vice Chairman Marcelo Regunaga, Argentina’s former Minister of Agriculture, “yet the House Committee has opted for a continuation of policies that hurt efficient farmers in both in the US and in developing countries.”

The Committee’s bill perpetuates product-specific support programs for a small number of agricultural commodities. Such programs decrease the efficient use of land and inputs in the US by encouraging the production of program crops over more appropriate alternatives. These payments also distort trade as they depress world prices for these commodities, undercutting competition from developing country farmers whose countries cannot afford agricultural subsidies.

Furthermore, continuing these policies risks decreasing the US’s credibility among its trading partners. By refusing to undertake reform, most visibly by keeping in place policies found to be incompatible with WTO rules, the US is regrettably sending a signal to its trading partners that it does not believe in the importance of following international rules.

To read IPC’s Farm Bill Policy Brief series, please visit:
http://www.agritrade.org/Publications/farm_bill_briefs.html

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About the IPC: The IPC develops pragmatic policy recommendations addressing the critical issues facing the world’s agricultural system. It conveys these recommendations directly to policy-makers and decision-makers around the world through policy papers, seminars, conferences and personal contacts. The IPC’s influence and credibility are derived from its membership, all of whom serve on the Council as individuals, and not on behalf of their institutions. More information on the organization and its membership can be found on our website: www.agritrade.org