

Glossary

Agribusiness—Agriculturally related businesses that supply farm inputs (such as fertilizer or equipment) or are involved in the marketing of farm products (such as warehouses, processors, wholesalers, transporters, and retailers). Farms are not usually included when the term agribusiness is used.

Aid for Trade—Defined in the Doha Development Round as assistance to build supply-side capacity and trade-related infrastructure so that developing countries can improve their ability to trade.

Beginning farmer or rancher—An eligibility term used in some farm programs, usually to identify a subgroup who may benefit from additional assistance.

Biofuels—Fuels made from biomass, i.e. any organic matter that is available on a renewable or recurring basis, including agricultural crops.

Block grants—Federal government lump-sum payments to the states, which then have wide discretion over the use of these funds.

Body mass index (BMI)—A measure of body weight relative to height. BMI can be used to determine if people are at a healthy weight, overweight, or obese.

Box—In agriculture, a category of domestic support. Green box: supports considered not to distort trade and therefore permitted with no limits. Blue box: permitted supports linked to production, but subject to production limits, and therefore minimally trade-distorting. Amber box: supports considered to distort trade and therefore subject to reduction commitments.

Buyout—In the context of commodity and farm support policy, the term buyout relates to compensation for the loss or decline in value of assets due to a change in policy or program design.

Codex Alimentarius Commission—A joint commission of the Food and Agriculture Organization (FAO) and the World Health Organization created in 1962 to ensure consumer food safety, establish fair practices in food trade, and promote the development of international food standards. The Commission, often referred to simply as Codex, drafts nonbinding standards for sanitary and phytosanitary standards governing food additives, veterinary drugs, pesticide residues, and other substances that affect consumer food safety.

Commodities—Six agricultural crops (corn, cotton, peanuts, rice, tobacco, and wheat) declared by permanent law (in the Agricultural Adjustment Act of 1938) as requiring federal price support. Since first defined in 1938, other farm products have been added to the list of commodities that qualify for price support.

Conservation—The management of natural resources to provide maximum benefits over a sustained period of time. Conservation practices focus on conserving soil, water, energy, and biological resources.

Consolidation—In agriculture and other economic sectors, consolidation usually is a reference to the trend from numerous smaller-sized operations toward fewer and larger ones. Consolidation can lead to higher concentration.

Developed countries—A term to differentiate the more highly industrialized nations, including most of those that are members of the Organization for Economic Cooperation and Development, from developing countries or less developed countries.

Developing countries—Countries with a low per capita income. Terms

such as less developed country, least developed country, underdeveloped country, poor, southern or third world have been used to describe developing countries.

Dietary Guidelines for Americans—Recommendations for nutritional health published by the U.S. Department of Agriculture (USDA) and U.S. Department of Health and Human Services, reflecting the most current scientific knowledge in nutrition for preventing chronic illnesses.

Doha Development Round—The name given to the current round of multilateral trade negotiations under the auspices of the WTO. The name derives from the launch of a new round of multilateral trade negotiations at a WTO ministerial conference held in Doha, Qatar, in November 2001.

Domestic support—In agriculture, any domestic subsidy or other measure which acts to maintain producer prices at levels above those prevailing in international trade.

Dumping—Under World Trade Organization rules, dumping occurs when the price to the importer is less than the normal price of the product charged to the buyer in the country of origin or other third country markets.

Emergency food assistance—The distribution of donated food items to hungry people. Such programs typically are run by private, nonprofit community organizations.

Entitlement—A legal obligation on the federal government to make payments to a person, business, or unit of government that meets the criteria set in law. Entitlement spending is a subset of mandatory spending.

Farm bill—A phrase that refers to a multi-year, omnibus law that contains federal commodity and farm support policies, as well as other farm-related

provisions. Beginning in 1973, farm bills have included titles on commodity programs, trade, rural development, farm credit, conservation, agricultural research, food and nutrition programs, marketing, etc.

Farm size—The most common way to measure farm size is by the value of gross farm sales. Acreage is not used for comparisons across differing kinds of farms because in some cases a farm need not have land (i.e., bee hives may be in constant rotation among parcels not belonging to the beekeeper).

Farm—For statistical purposes, a farm is defined as any place from which \$1,000 or more of agricultural products were produced or sold or would have been sold during the agriculture census year. There are about 2.1 million farms in the United States.

Farmer Savings Accounts—Designed to encourage farmers to manage risk by making deposits to special accounts in high income years and making withdrawals, when needed, in low-income years; the government would provide incentives, such as tax deferrals and/or matching contributions, to encourage farmer participation and to help farmers accumulate reserves.

Farming-dependent county—ERS classified a county as farming dependent if 15 percent or more of earnings (in 1998-2000) or employment (in 2000) came from farming.

Food aid—The distribution of food commodities to support development projects and emergency food assistance in situations of natural and man-made disasters.

Food bank—A charitable organization that solicits, receives, inventories, stores and distributes food and grocery products from various sources to charitable organizations.

Food insecurity—A condition of uncertain availability of or ability to acquire safe, nutritious food in socially acceptable ways.

Food security—Assured access to enough nutritious food to sustain an active and healthy life with dignity.

Green payments—Payments made to producers as compensation for environmental benefits that accrue as a result of or in conjunction with their farming activities.

Gross domestic product (GDP)—The value of all goods and services produced within a nation during a specified period, usually a year.

Hunger—A condition in which people do not get enough food to provide the nutrients (carbohydrate, fat, protein, vitamins, minerals and water) for fully productive, active and healthy lives.

Industrialized countries—See Developed Countries.

Infrastructure—The basic facilities, services and installations needed for the functioning of a community or society such as transportation, communications, financial, educational and health care systems.

Least developed countries (LDCs)—Low-income countries that suffer from long-term handicaps to economic growth, in particular low levels of human resource development and/or severe structural weakness.

Malnutrition—A condition resulting from inadequate consumption (undernutrition) or excessive consumption (overnutrition) of a nutrient, which can impair physical and mental health, and can be the cause or result of infectious diseases.

Market access—The extent to which a country allows imports.

Microenterprises—A business with five or fewer employees and little working capital.

Millennium Development Goals (MDGs)—A set of objectives for the betterment of quality of life for all people first laid out in a series of international conferences in the 1990s, then officially adopted by the United Nations in 2000 with the Millennium Declaration. The goals serve as a road map for development to be achieved by the year 2015.

Multilateral agreement—A trade agreement involving many countries (as with the World Trade Organization).

Nongovernmental organizations (NGOs)—Groups and institutions that are entirely or largely independent of government and that have primarily humanitarian or cooperative rather than commercial objectives. Citizen groups that raise awareness and influence policy also are NGOs.

Persistent Poverty Counties—Persistent poverty counties are those where 20 percent or more of the county population in each of four Census years (1960, 1970, 1980, 1990) had household incomes below poverty.

Poverty—The lack of sufficient money or resources to provide the basic needs of survival for oneself and one's family.

Poverty line—An official measure of poverty defined by national governments. In the United States, it is calculated as three times the cost of the USDA's Thrifty Food Plan, which provides a less-than-adequate diet. Poverty also can be measured internationally, by determining the percentage of per capita income levels under \$1 or \$2 per day for a population. Income levels are adjusted for purchasing power parity so that they are comparable from country to country.

Price support—Programs operated by USDA that are intended to raise farm prices when supply exceeds demand and prices are unacceptably low.

Producer—For purposes of commodity payments, the 2002 farm bill defines a producer as an owner-operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to a share of the crop produced on the farm.

Productivity—A measure of technical efficiency, typically expressed as the added output for an additional unit of input or the average output per unit of input, i.e., labor, land, capital productivity.

Program crops—Refers to commodity crops currently eligible for price supports.

Revenue insurance—A generic term for any crop insurance program that provides coverage to producers against lost revenues (or incomes) caused by low prices, low yields, or a combination of low prices and low yields.

Rural—According to the U.S. Bureau of the Census, rural areas comprise open country and settlements with fewer than 2,500 residents. Territory outside of urbanized areas is designated rural and can have population densities as high as 999 per square mile or as low as 1 person per square mile.

Sanitary and phytosanitary (SPS) measures and agreements—See Codex Alimentarius Commission.

Social safety nets—Government policies and charitable programs designed to ensure basic needs are met among low-income, disabled and other vulnerable social groups.

Specialty crops—USDA classifies specialty crops as all farm commodities other than livestock and program crops. This definition includes fruits and vegetables and horticultural crops.

Subsidy—A direct or indirect benefit granted by a government for the production or distribution (including export) of a good or to supplement other services.

Surplus—The amount by which available supplies are greater than the quantity that will bring producers an adequate income. A surplus may be due to production outrunning demand, a decline in consumption, or a general decline in consumer income or buying power.

Sustainable agriculture—A systematic approach to farming intended to reduce agricultural pollution, enhance natural resource and financial sustainability, and improve efficiency.

Tariff—A tariff is a list or schedule of taxes, while a duty is the tax imposed on a specific item. However, the terms duty and tariff have come to be used interchangeably. In international trade, these taxes must be paid to a government on selected imported or sometimes exported goods.

Tariff escalation—Higher import duties on semi-processed products than on raw materials, and higher still on finished products. This practice protects domestic processing industries and discourages the development of processing activity in the countries where raw materials originate.

Thrifty Food Plan (TFP)—The USDA-calculated cost of a diet for persons of different ages, and the basis upon which Food Stamp allotments are determined.

Trade barriers—Laws, regulations, policies that protect domestic products from foreign competition or artificially stimulate exports of domestic products.

Trade Distortion—When prices and production are higher or lower than levels that would usually exist in a competitive market.

Trade liberalization—A term which describes the complete or partial elimination of trade distorting government policies.

Undernutrition—A condition resulting from inadequate consumption of calories, protein and/or nutrients to meet the basic physical requirements for an active and healthy life.

Uruguay Round—Multilateral trade negotiations launched in Punta del Este, Uruguay, in 1986 and concluded in December 1993. The final Uruguay Round agreement signed in Marrakech in April 1994 created the World Trade Organization, embracing 110 participating countries.

Value-added products—Products that have increased in value because of processing.

World Trade Organization (WTO)—The international organization established to oversee international trade agreements and settle disputes between member countries. Currently there are 149 member countries. See Uruguay Round.