

February 19, 2013

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Reid,

The undersigned farm organizations are writing to express our deep concerns regarding the farm bill component of the fiscal package you announced last week. While we understand the goal of passing legislation, such as the *American Family Economic Protection Act*, to avoid budget sequestration, your proposal takes all of the budget savings from just one section of farm bill.

In a briefing with various agricultural groups, your staff indicated that while the bill will restore 24 of the 37 expiring 2008 Farm Bill provisions, only the commodity title of the farm bill would be negatively impacted while some titles would actually receive additional funding. Certainly, we believe those provisions are important – especially those for disaster assistance for livestock, fruit and vegetable producers suffering tremendous losses over the last two years. But we believe decisions on which programs to cut and which to increase are far better made by the Senate Agriculture Committee through thoughtful deliberations on the needs of farmers and ranchers rather than in an omnibus bill.

As we understand your proposed legislation, defense spending and farm bill spending would each be cut by \$27.5 billion over the coming decade, and raise revenues by an additional \$55 billion through the closing of two tax loopholes and implementing a minimum tax on millionaires. The fact that this proposal, if adopted, would simply delay sequestration until January 2014, in hopes that a larger long-term deficit reduction deal could be reached by Congress and the White House has us very concerned that agriculture is the only non-defense budget sector being cut while other sectors are not touched.

Agriculture has been willing to accept their fair share of cuts to help reduce our nation's unsustainable deficits. In fact, last year the Chairmen and Ranking Members of the House and Senate Agriculture Committees offered to reduce spending by far more than our fair share under the new farm bill. As you know, the Senate passed a bill last summer that would have provided \$23 billion in savings over the next ten years, while the House Agriculture Committee adopted legislation saving \$35 billion over the same time period.

While the \$27 billion in reductions in your bill is in the same ballpark as the cuts achieved by both of those bills, both farm bill proposals spread the pain among various titles rather than requiring all of it be shouldered by just one title of the respective bills. Yet both committees were able to craft new, innovative provisions that help producers manage risks associated with crop and livestock production.

Your proposed legislation seriously undermines efforts to advance much needed reforms to meet the long term risk management needs of America's family farms. While our grower members

are prepared to contribute their fair share of cuts to help reduce our nation's unsustainable deficits, we cannot support a doubling of reductions in commodity title funding. Your proposal would require our farmers to take 10 years of cuts to delay the sequester for only 10 months. That is hard to justify. We also believe it is simply unfair to assign the burden of cost reductions to only two areas of government spending – agriculture and defense.

Absent a more balanced approach in achieving meaningful deficit reduction savings, the work of the Senate Agriculture Committee to develop an effective program to complement federal crop insurance program and to provide an adequate farm safety net is impossible.

The prospect of multi-year crop disasters coupled with projections of sharp declines in commodity prices over the next few years are widely acknowledged as serious threats to the stability of farm income. With an appropriate level of resources, more efficient and market oriented risk management tools can better address the gaps in protection not covered by crop insurance. Conversely, inadequate funding to restructure the farm bill commodity title will almost certainly eliminate options to reform the farm safety net in a long term fiscally responsible manner.

We fully recognize the immense challenge before the Congress to reduce the nation's budget deficits and appreciate your efforts and leadership. We urge you to re-evaluate your efforts and carefully consider our concerns as you continue working toward this critically important goal.

Sincerely,

American Farm Bureau Federation
American Soybean Association
National Association of Wheat Growers
National Barley Growers
National Cotton Council
National Council of Farmer Cooperatives
National Sorghum Producers
National Sunflower Association
Southern Peanut Farmers Federation
US Canola Association
US Dry Bean Council
USA Dry Pea & Lentil Council
USA Rice Federation
Western Peanut Growers Association