



September 20, 2011

Dear Joint Select Committee Member:

As you launch the deliberations of the Joint Select Committee on Deficit Reduction, we write to share the collective recommendations of our 40 farm and rural member organizations on budget decisions with respect to the 2012 Farm Bill. Attached please find a copy of our complete recommendations.

The establishment of the Joint Committee and the special budget process established by the Budget Control Act comes precisely at the time the once-every-five-year omnibus food and farm bill process is beginning. This extraordinary budget process necessarily complicates the subsequent farm bill process. We believe, however, the prospect of achieving a measure of deficit reduction from the farm bill is not incompatible with writing a better bill and achieving long overdue policy reform, provided some very important principles are followed.

First, it is critical that you proceed with any deficit reductions from the farm bill in a manner that supports careful and well thought out farm, food and rural policy reform. Simply cutting, and letting the pieces fall where they may, will not help the reform effort. We need smart cuts, ones that will bring policy into line with widely shared public policy goals.

Second, we urge you to keep farm bill cuts in rough alignment with its overall contribution to total mandatory spending. Disproportional cuts will also not help the reform effort. In weighing different options, we also urge you to examine the totality of food, agriculture and rural spending, on both the mandatory and discretionary side, and their respective trend lines and interactions, as you make any farm bill mandatory funding decisions.

More specifically, we urge you to:

- Recognize that the appropriations process has already cut over \$2 billion in farm bill mandatory conservation spending since passage of the 2008 Farm Bill. In other words, the conservation budget has already contributed significantly to deficit reduction, and should not be asked to contribute more. Agro-environmental pressures and problems are mounting. Farmer and rancher demand for conservation dollars exceeds supply by multiple factors for most programs. Now is not the time to do further damage to the conservation baseline. If anything, in the face of renewed severe erosion, climate change pressures, water depletion, and mounting energy prices, we need a bigger, not smaller investment in farm conservation to protect the land which is our long-term food security.
- Make reductions to commodity and crop insurance programs in a manner that is fair and that supports increased economic opportunity in farming and caps subsidies to the largest operations. All funding decisions relative to farm programs should be made with an eye toward the future and a concern for the next generations of American farmers and ranchers.

We have long supported the elimination of direct payments and continue to do so. Payments made automatically, without reference to price and yield, are the antithesis of the safety net concept. However, we believe it is critical that the savings from such an action be divided between deficit

reduction, a new improved and more targeted safety net, and overdue and much needed investments in new farmers, rural development, conservation, renewable energy, agricultural research, organic farming, and market development. This three-way division is entirely practical and achievable, but it will only happen through concrete provisions written into the budget bill and the farm bill.

It will not work to simply do away with misguided direct payments without careful consideration of a new, more targeted and less costly safety net. However, the new safety net cannot simply recreate the current system that subsidizes farm consolidation and the destruction of economic opportunity. On both the commodity program side and the crop insurance side, any new or continuing benefits should be targeted and capped. Subsidies should no longer be available no matter how large a farm grows or how many other farms it takes over in the process. Real caps are needed and the loopholes that have been written into the law that allow unlimited and abusive subsidies need to be closed.

The new safety net program also needs to end the current practice of providing subsidies for the destruction of prime grasslands and the important ecological values and ranching opportunities they represent. All continuing commodity and crop insurance taxpayer support should also require adoption of basic conservation plans by the recipient as part of the social contract. Subsidizing natural resource depletion is a bad deal for the taxpayer and is unfair to the majority of farmers who are already doing the right thing. This is another instance in which deficit reduction can be achieved in a manner that supports rather than detracts from public values.

- Finally, we urge you to protect anti-hunger programs from cuts. Congress wisely has exempted these programs from the sequestration option and the Joint Committee should follow the same logic in leaving the most critical feeding programs off the table.

Please refer to the attached document -- the budget chapter of our forthcoming farm bill platform -- for more detailed information. We would be happy to also respond to requests for additional details and proposals.

Thank you for your consideration of our views.

Sincerely,



Ferd Hoefner, NSAC Policy Director

cc:

The Honorable John Boehner

The Honorable Nancy Pelosi

The Honorable Harry Reid

The Honorable Mitch McConnell

Members of the House Agriculture Committee

Members of the Senate Agriculture Committee