

## The Rural America Preservation Act of 2011 (S.1161)

This commodity program reform bill was introduced in June 2011 in the Senate by Sens. Chuck Grassley (R-IA) and Tim Johnson (D-SD) and will be re-introduced early in 2012. A brief summary of the bill follows.

The Rural America Preservation Act (RAPA) is patterned very closely on previous versions of the same bill offered by Sen. Grassley, and co-sponsored for many years by former Senator Byron Dorgan (D-ND) and in the last Congress by former Senator Russ Feingold (D-WI). The Dorgan-Grassley bill won strong majority bipartisan support on the Senate floor in each of the past two farm bill debates (2002 and 2008), but did not in either instance become part of the final farm bill adopted into law.

RAPA has two major provisions that, if enacted, would lower the per farm cap on farm commodity program payments, simplify eligibility, and ensure that federal farm payments flow to working farmers.

### Reduce Farm Program Payment Limits

This bill would reduce the cap on commodity payments that any one farm receives to \$250,000 per year. This would be achieved by reducing the following payment limits for a married couple:

- direct payment cap, if direct payments are continued in the next farm bill, from \$80,000 to \$40,000
- counter-cyclical payment cap, acreage crop revenue election payment cap, and any new form of price or revenue triggered commodity payment included in the next farm bill from \$130,000 to \$60,000
- marketing loan gains and loan deficiency payments from no limit at all to \$150,000

Commodity Payment	Current Limit (per individual)	RAPA Limit (per individual)	Current Limit (per married couple)	RAPA Limit (per married couple)
Direct Payments	\$40,000	\$20,000	\$80,000	\$40,000
Counter-cyclical payments/Acreage crop revenue election payments	\$65,000	\$30,000	\$130,000	\$60,000
Any new price or revenue triggered payment in next farm bill	Not applicable	\$30,000	Not applicable	\$60,000
Marketing loan gains Loan deficiency payments	No limit	\$75,000	No limit	\$150,000
TOTAL PAYMENTS	No limit	\$125,000	No limit	\$250,000

### Close Loopholes in Farm Commodity Payments

This bill would also close existing loopholes that allow mega farms to collect far higher payments than current law would otherwise seem to allow. Current law requires a contribution of 1,000 hours of labor on the farm or involvement in its management in order to receive farm payments. However, the vague and largely unenforceable regulatory standard for “actively managing” farm operations has foiled lawmakers’ attempts to target payments to working farmers.

The provisions in this bill would force USDA to adopt a measurable standard to determine whether recipients are actively engaged in farming and clarify the definition of management to require ongoing and direct involvement in farm activities to stop the current evasion of payment limits. Closing the current management loophole is widely viewed by experts as the linchpin to any attempt to stop current abusive practices that allow mega farms to receive millions of dollars in taxpayer subsidies.

All Members are invited to co-sponsor the *Rural America Preservation Act*. For more information, please contact Jared Hill in Sen. Grassley’s office at (202) 224-3744 or [Jared\\_Hill@grassley.senate.gov](mailto:Jared_Hill@grassley.senate.gov), or Josh Tonsager in Sen. Johnson’s office at (202) 224-5842 or [joshua\\_tonsager@johnson.senate.gov](mailto:joshua_tonsager@johnson.senate.gov)