



June 13, 2012

Dear Senator:

As the floor debate on the Agriculture Reform, Food, and Jobs Act gets underway, the National Sustainable Agriculture Coalition (NSAC) urges you to expeditiously complete consideration of the farm bill, reject all non-germane amendments, and strengthen the bill's reform, food, and jobs provisions. While the committee-passed bill takes initial steps to reform agriculture programs, enable long-term food security and access to healthy food, and spur job creation, more must be done to meet these objectives. On behalf of our forty farm, conservation, and rural member organizations, NSAC provides the appended list of amendments that we urge you to support or oppose to align the bill with reform, food, and jobs outcomes.

The committee-passed Agriculture Reform, Food, and Jobs includes reforms that target, limit, and cap commodity programs. Unfortunately, the most expensive farm subsidy of the bill – crop and revenue insurance programs in the crop insurance title – is untargeted, unlimited, and uncapped. Senators Coburn-Durbin (SA 2186), Cardin (SA 2219), Shaheen-Toomey (SA 2201), and others have filed amendments that would strengthen agriculture reform by extending limits currently on commodity programs to crop insurance, and make other reforms.

The committee-passed Agriculture Reform, Food, and Jobs Act includes programs and provisions to maintain agricultural productivity and food security. Further improvements are needed to enable schools to purchase from local and regional producers, and to ensure that USDA invests in long-term agricultural productivity through plant and animal breeding research. Senators Sanders-Leahy (SA 2386) and Senator Tester (SA 2234) have filed amendments that will address these two issues.

The committee-passed Agriculture Reform, Food, and Jobs Act fails to make an adequate investment in job growth. The Rural Development title contains proven job-creating grants and loan programs, yet the committee bill breaks with past farm bills and provides no funding at all. The bill also makes very modest investments in the next generation of farmers, undermining future job growth in American agriculture. Senators Sherrod Brown (SA 2362), Harkin (SA 2239), Tom Udall (not yet filed), and Harkin-Casey (SA 2245) have amendments to spur job creation through investment in rural economic development and the next generation of farmers.

Appended to this letter is a list of amendments that NSAC urges you to support or oppose grouped by the following categories: agriculture reform, food, and jobs. We will update the list as more information becomes available.

Sincerely,

Ferd Hoefner
NSAC Policy Director

Agriculture Reform Amendments

- **Coburn-Durbin (SA 2186) – Crop Insurance Reform – SUPPORT**
Current crop and revenue insurance premium subsidies in the crop insurance title are unlimited. This amendment would ensure a fiscally responsible farm safety net by reducing by 15 percent annual crop insurance premium subsidies for program participants whose adjusted gross annual income exceeds \$750,000 (\$1.5 million for most married participants). This amendment would save close to \$1.3 billion over ten years, and would ensure that millionaires pay closer to 50 percent of their own insurance costs.
- **Cardin (SA 2219) – Highly Erodible Land and Wetlands Conservation – SUPPORT**
To receive commodity subsidy payments or conservation assistance, producers must meet basic conservation requirements that protect the natural resources on which productivity and future food security depend. Crop insurance premium subsidies currently do not have that same requirement. This amendment would extend basic conservation requirements in the commodity title to crop and revenue insurance programs.
- **Grassley-Johnson (SD) (SA 2167) – Payment Limits on Marketing Loan Gains and Loan Deficiency Payments – SUPPORT**
The committee-passed bill includes important reforms to limit Agriculture Risk Coverage (ARC) payments in the commodity title. Yet there are no limits on marketing loan gains and loan deficiency payments. This amendment would limit those subsidies at \$75,000 per person or entity per year (\$150,000 for married couples).
- **Chambliss-Isakson (SA 2326) – Stop Commodity Reform – OPPOSE**
The amendment would block the bill’s reforms to plug loopholes in the “actively engaged in farming” rules until USDA certifies that the provisions will not harm beginning farmers, disabled farmers and farm spouses. The reforms are very positive for beginning farmers and make no changes to current law for disabled farmers or farm spouses. The amendment would simply try to delay the new reforms from taking effect.
- **Shaheen-Toomey (SA 2201) – Crop Insurance Subsidy Cap – SUPPORT**
Current crop insurance premium subsidies are uncapped, and the taxpayer has to foot the bill for insurance coverage of even the wealthiest farmers. This amendment would place a cap of \$40,000 (\$80,000 for married couples) on premium subsidies.
- **Gillibrand (SA 2156) – Limit Crop Insurance Administration Subsidies – SUPPORT**
This amendment would modestly reduce the subsidy to crop insurance companies for their administrative and operating costs and would use the savings to eliminate the cuts to the Supplemental Nutrition Assistance Program in the committee-passed bill. The savings would also fund the Fresh Fruit and Vegetable Program.
- **Ayotte (SA 2195) – GAO Crop Insurance Fraud Reporting – SUPPORT**
This amendment would require the Government Accountability Office to conduct a study and submit a report to Congress on the fraudulent claims filed and benefits provided through crop insurance programs.
- **Merkley-Feinstein-Sanders-Kerry (SA 2382) – Organic Crop Insurance – SUPPORT**
Crop insurance is the center of the new farm safety net, but it does not work for organic farmers. Organic farmers pay a higher premium yet USDA does not pay organic farmers at the organic price after a loss for all but four crops. This amendment would direct USDA’s Risk Management Agency to complete the development of the organic price series.

- **Grassley-Conrad (SA 2170) – Ban on Packer Ownership of Livestock – SUPPORT**
Large meatpackers that own and control millions of head of livestock manipulate current livestock markets. This amendment would restore fair and open markets for independent livestock producers by banning packer ownership of livestock more than fourteen days before slaughter.
- **Enzi-Johnson (SD) (SA 2259) – Captive Supplies – SUPPORT**
Many large meatpackers require farmers and ranchers to enter into “forward” contracts that do not provide a firm base price with a fixed dollar amount determined on the day that the contract is entered into. This amendment would prohibit meatpackers from using forward contracts without a firm base price, providing greater market transparency and fairness for farmers and ranchers.
- **Sanders-Leahy-Gillibrand (SA 2255) – Organic EQIP – SUPPORT**
The 2008 Farm Bill included provisions to ensure that organic farmers could access conservation programs such as the Environmental Quality Incentives Program. After several years of implementation, there are a number of no-cost policy improvements needed. This amendment would streamline planning requirements, strengthen assistance to transitional producers, and eliminate the unfair lower payment limit applied solely to organic farmers.
- **McCain (SA 2163) – Ethanol Blender Pumps and Storage Facilities – SUPPORT**
In the implementation of the Rural Energy for America Program (REAP), USDA has funded ethanol blender fuel pumps and storage, which is not consistent with Congressional intent. This amendment would prohibit the use of federal funds to fund, build, install, or operate ethanol blender pumps and storage facilities.
- **Toomey (SA 2218) – Termination of FSA and RD Foreclosure Policy – OPPOSE**
This amendment would remove existing policies on deferrals and foreclosures, including civil rights protections, worked out carefully over the course of many farm bills, pertaining to FSA farm loans and rural development loans.
- **Begich-McCain (SA 2365) – Crop Insurance Transparency – SUPPORT**
This amendment would increase the transparency of the crop insurance program.

Food Amendments

- **Sanders-Leahy (SA 2386) – Department of Defense Fresh – SUPPORT**
USDA contracts with DoD to provide fresh fruits and vegetables to schools and other service institutions. Unfortunately, the products that are delivered are not always fresh and edible, despite demand for fresh food from schools. This amendment would allow schools and other service institutions to continue participating in the program, make their own fresh produce purchases, or use a combination.
- **Tester (SA 2234) – Conventional Plant and Animal Breeding – SUPPORT**
The monumental productivity gains made in agriculture over the last century are primarily due to conventional breeding techniques, yet USDA has failed to fulfill the conventional breeding priority in the Agriculture and Food Research Initiative from the 2008 Farm Bill. This amendment would designate five percent of AFRI funding for conventional breeding, and would hone the definition to remove the hurdles that have hindered USDA’s efforts.
- **Ayotte-Coburn (SA 2192) – Anti-Value-Added Production – OPPOSE**
The Value-Added Producer Grants program is a successful competitive grants program that enables producers, groups of producers, or producer-owned businesses or cooperatives to develop value-added,

producer-owned enterprises. This amendment targets VAPG and would effectively shut the program down by requiring an Office of Inspector General audit *before* any more grants are made.

- **Toomey (SA 2215) – Anti-Local Markets – OPPOSE**

Producers are responding to skyrocketing demand for local food by increasing production, creating new markets, and launching new businesses. This amendment would undermine growth in local markets by eliminating the Farmers Market and Local Food Promotion Program, which provides competitive grants to communities nationwide who are growing local food markets.

Jobs Amendments

- **Brown (OH) (SA 2362) – Rural Economic Development and Beginning and Socially Disadvantaged Producers – SUPPORT**

Creating jobs in rural America and ensuring the success of the next generation of farmers are national priorities, yet the committee-passed bill fails to make an adequate investment in rural economic development and in the future of American agriculture. This amendment would fund critical rural development and beginning and socially disadvantaged farmer and rancher programs.

- **Harkin-Casey (SA 2245) – Microloans to Beginning and Veteran Producers – SUPPORT**

Young, beginning, and veteran farmers face obstacles when trying to secure loans from USDA's Farm Service Agency. This amendment would allow FSA to make small loans of up to \$35,000 to meet the unique needs of those producers, streamline the application process, and provide discretionary authority to FSA to establish intermediary lender pilot projects.

- **Harkin (SA 2239) – Beginning Producer Training – SUPPORT**

The Beginning Farmer and Rancher Development Program provides training and technical assistance to beginning farmers and ranchers through competitive grants to land-grant institutions, community organizations, and other farm organizations. The committee-passed bill cuts funding for this small but successful program by almost 50 percent to \$10 million per year, and this amendment would provide \$20 million per year.

- **Udall (NM) (not yet filed) – Disadvantaged Producer Training – SUPPORT**

The Outreach and Technical Assistance for Socially Disadvantaged Farmers and Ranchers Program (also known as the 2501 Program) provides grants to educational institutions, Extension, and community-based organizations to assist minority farmers in owning and operating farms and participating in USDA programs. The committee-passed bill cuts funding for this program by 75 percent to \$5 million per year. The amendment would restore funding.

- **Toomey (SA 2217) – Anti-Small Business Regulatory Assistance – OPPOSE**

Organic agriculture is one of the fastest growing sectors of agriculture, creating jobs in rural America and providing economic opportunity for farmers. Organic farmers must adhere to strict regulations to be certified, and a small cost-share (up to \$750 per year per operation) is provided to assist small and mid-sized businesses meet certification costs. This amendment would eliminate the program that provides cost-share assistance.