

November 26, 2013

The Honorable Frank Lucas
Committee on Agriculture, Nutrition, and Forestry
U.S. House of Representatives

The Honorable Debbie Stabenow
Committee on Agriculture
United States Senate

The Honorable Collin Peterson
Committee on Agriculture, Nutrition, and Forestry
U.S. House of Representatives

The Honorable Thad Cochran
Committee on Agriculture
United States Senate

Dear Chairman Lucas, Chairwoman Stabenow, and Ranking Members Peterson and Cochran:

The undersigned farm organizations recognize that little time remains to reach agreement on a new farm bill before the end of the year. We would like to help Conferees resolve differences on Title 1, and offered a compromise last week that would use a rolling average of recent-year plantings to determine base acres under both revenue and price-based programs. If agreement cannot be reached on this or some other approach that avoids tying payments to current-year planted acres, we would reluctantly oppose a new farm bill and support an extension of the 2008 Farm Bill.

For the last two years, we have consistently opposed “recoupling” payments to planted acres under a price-based program. A similar program during the 1980’s caused major planting distortions when market prices fell below target prices. The resulting production surpluses for certain crops required supply controls, including acreage set-asides and the Farmer Owned Reserve, which undercut producer income and disadvantaged U.S. exports in world markets.

These policies were replaced in 1996 with programs that “decoupled” government payments from planting decisions. We strongly support continuing the current policy of providing planting flexibility to producers in a new five-year farm bill.

In addition, avoiding government-induced production surpluses and depressed domestic and world prices has reduced the vulnerability of U.S. farm programs to challenges under the WTO. We do not want to return to programs that could increase the likelihood of more lost trade cases, as occurred with the Brazil cotton complaint.

We very much hope that Conferees on the farm bill will find common ground that can be supported by producers of all crops in all regions of the country. If such a resolution is not possible, we would support a two-year extension of the 2008 Farm Bill including, if necessary, a reduction in Direct Payments to achieve savings equivalent to the bills passed by both the

Senate and the House. While difficult, this approach would leave sufficient funding in the commodities title to write a new farm program at such time as consensus can be achieved.

In the event a new farm bill includes a provision that would tie payments under a price-based program to current-year planted acres, and as stated in our letter of July 26, 2013, our organizations will oppose its enactment. We very much hope this will not be the outcome of what has been a protracted and, unfortunately, divisive process.

Sincerely yours,

American Soybean Association
National Corn Growers Association
U.S. Canola Association

cc. Speaker John Boehner
Minority Leader Nancy Pelosi
Majority Leader Harry Reid
Minority Leader Mitch McConnell
Members, Committee on Agriculture, U.S. House of Representatives
Members, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate