

October 25, 2013

The Honorable Debbie Stabenow
Chairwoman
Senate Agriculture Committee

The Honorable Thad Cochran
Ranking Member
Senate Agriculture Committee

The Honorable Frank Lucas
Chairman
House Agriculture Committee

The Honorable Collin Peterson
Ranking Member
House Agriculture Committee

CC: Farm Bill Conference Committee Members

RE: Reconciling H.R. 2642 and S. 954

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

As the farm bill moves to conference, we implore you to prioritize measures in H.R. 2642 and S. 954 that will promote strong environmental protection, fair and adequate risk management, and widespread nutritional well-being. Specifically, we urge you to:

1. Relink conservation compliance with crop insurance subsidies.

The conservation *quid pro quo* between growers and taxpayers, enacted in 1985, has proved to be a highly effective way to provide a basic level of protection to sensitive lands. Moreover, [polls show](#) that conservation compliance provisions enjoy broad support among farmers. The progress made since 1985 is now [at risk](#) as crop insurance becomes the primary way taxpayers support farm income. We strongly encourage the farm bill conference committee to relink conservation compliance with crop insurance premium subsidies as does S. 954 to ensure:

- Producers benefitting from subsidies take basic steps to protect soil and wetlands;
- Producers who have never been covered by conservation compliance be allowed 5 years to get their soil conservation plans in place; and
- The amount of a producer's crop insurance premium that taxpayers pay is reduced by 50 percent for the first four years of production on land that has been converted from native prairie and grassland.

2. Support crop insurance means testing and transparency.

We applaud the House for agreeing to a resolution in favor of receding to the Senate provision on crop insurance means testing that will save \$1 billion and, unlike the Senate provision, require immediate implementation. We urge you to agree to a limitation on crop insurance premium subsidy based on average adjusted gross income in excess of \$750,000 as provided by S.954, and we also urge you to require immediate implementation. Additionally, we urge you to require the USDA to disclose the names of members of Congress and cabinet secretaries receiving federal crop insurance subsidies as provided by H.R. 2642.

3. Eliminate coverage options that shift additional risk to taxpayers.

More than 60 percent of the average crop insurance premium is already subsidized. Removing even more risk incentivizes converting marginal land – such as highly erodible lands and wetlands – to cropland. We therefore urge you to eliminate proposed programs that would have taxpayers shouldering any additional risk of crop production. Specifically, we urge you to:

- Eliminate the [Supplemental Coverage Option](#) that would increase farmers' government-financed revenue insurance guarantees to 90 or 95 percent of their average revenue and would cost \$3.8 billion;
- Eliminate the Stacked Income Protection Plan (STAX) for cotton farmers and Peanut Revenue Insurance that would cost \$4 billion (noting that cotton and peanut farmers are still eligible for the same subsidized crop insurance as other farmers); and
- Not create new shallow loss programs such as Agricultural Risk Coverage in S. 954 and the Revenue Loss Coverage in H.R. 2642 as they only exacerbate the problem of taxpayers shouldering too much of producers' risk, which creates incentives to farm in ways that harm the environment.

4. Reform or remove new government subsidy programs.

We applaud both the House and the Senate for moving to repeal the direct payment program. Furthermore, we applaud the historic payment limitation and actively engaged in farming reforms contained in title one of both bills as well as the directive to develop whole farm revenue insurance for diversified farming operations and urge you to fully adopt these changes.

We caution, however, that extremely high reference prices provided by the [Price Loss Coverage \(PLC\)](#) program in H.R. 2642 could trigger more frequent and larger payments than the discredited programs it is designed to replace. The cost of the PLC program could be reduced by as much as \$12 billion by linking reference prices to a five-year rolling Olympic average and limiting payment acres to a percent of base acres. To avoid distorting growers' planting decisions and threatening trade agreements that have helped U.S. agriculture expand exports, we urge you to tie any counter-cyclical payments to an Olympic average and not to crop prices in statute.

5. Uphold strong measures in the conservation title.

The conservation title of the farm bill represents the single most important federal investment to protect soil, water, wildlife and the long-term sustainability of U.S. agriculture. Unfortunately, the voluntary conservation programs authorized in this title have lacked the funding to provide assistance for 40 percent of farmers who have applied in recent years. The growing and urgent challenges farmers and ranchers are facing must therefore be addressed by the strongest conservation title possible. Specifically, we urge you to:

- Authorize the higher acreage enrollment in the Conservation Reserve Program (30 million acres in FY2014; 27.5 million acres in FY2015; 26.5 million acres in FY 2016; 26.5 million acres in FY2017; and 25 million acres in FY2018) as provided by S. 954;
- Provide at least \$50 million or preferably full five-year direct farm bill funding for the CRP-Transition Incentives Program to help new producers gain access to farm and ranch land while retaining conservation values;
- Mandate the enrollment of 10,348,000 acres annually in the Conservation Stewardship Program at a cost of \$18 per acre as provided by S. 954;
- Fund the Environmental Quality Incentives Program (EQIP) at a level of \$1.75 billion annually as provided by H.R. 2642;
- Maintain EQIP payment limits to individuals in order to make the program accessible to more farmers as provided by S. 954;
- Eliminate the separate and unfair payment limitation for organic farmers and farmers transitioning to organic within EQIP;
- Mandate that *at least* 7.5 percent of EQIP funding be used for payments targeted at practices benefitting wildlife habitat;
- Authorize the Regional Conservation Partnership Program (RCPP) so that it focuses resources on projects to restore or enhance water quality, including nutrient management and sediment reduction as provided by S. 954;

- Mandate that 8 percent of funding from covered programs be used to support RCPP projects as provided by S. 954; and
- Provide \$110 million per year in additional funds from the CCC to support RCPP partnership projects as provided by S. 954.

6. Support nutrition assistance and nutrition education.

The Supplemental Nutrition Assistance Program (SNAP) is central to reducing poverty and food insecurity. Given that one in seven American households lacks consistent access to adequate food while unemployment rates remain high, we urge you fully fund SNAP – a program that pumps more than \$1.5 into the economy for every \$1 spent on food stamps. The cuts proposed in H.R. 2642 would eliminate food assistance for up to 3 million low-income people. Keeping in mind the pressures associated with reduced budgetary goals, we urge you to:

- Reauthorize \$401 million per year in nutrition education as provided by S. 954;
- Reauthorize the Hunger Free Community Incentives Grants for the purpose of increasing the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase as provided by S. 954;
- Allow school districts with low annual commodity entitlement value to use those funds for local purchases and establish farm to school pilot programs in at least 10 school districts as provided for by H.R. 2642;
- Mandate \$10 million per year for the Community Food Projects Grant Program as provided by H.R. 2642; and
- Keep “fresh” in the Fresh Fruit and Vegetable Program as provided by S. 954.

7. Support local and organic food programs.

Authorizing provisions that support local, regional, sustainable and organic food systems expand opportunities for farmers, improve access to healthier food and protect the environment. We therefore urge you to:

- Preserve the language in both S. 954 and H.R. 2642 surrounding USDA’s authority to consider an application for a research and promotion order by the organic sector;
- Require RMA to establish unique price elections for organic crops as provided by S. 954;
- Mandate \$14.5 million per year in the Value Added Producer Grant Program and authorize policy changes in support of local and regional food systems as provided by S. 954;
- Mandate \$30 million per year in Farmers Market and Local Food Promotion Program as provided by H.R. 2642;
- Authorize \$20 million per year in Organic Research and Extension Initiative as provided by H.R. 2642;
- Mandate \$23 million per year in Agricultural Management Assistance, Risk Management Education, and Organic Certification Cost Share Assistance—with 50 percent going to organic certification cost share as provided by S. 954;
- Reauthorize the Organic Production and Market Data Initiative as provided by S. 954;
- Reauthorize the National Organic Program (NOP) with mandatory funding of \$15 million per year plus a one-time \$5 million for technology and database upgrades for NOP as provided by S. 954; and
- Mandate \$20 million for the Beginning Farmer and Rancher Program as provided for by S. 954.

8. Reject harmful provisions and riders in H.R. 2642.

We urge you to support strong conservation provisions as well as an adequate agricultural safety net that does not incentivize unsustainable practices. In doing so, we urge you to reject anti-environmental provisions and riders found within H.R. 2642, specifically:

- Sec. 6206. *Certain Federal Actions Not To Be Considered Major* – a special interest earmark seeking to overturn a recent court decision that ruled not to forgive a utility company’s debt without first assessing the public health and environmental impacts of a proposed coal plant;
- Sec. 8006. *Separate Forest Service Decision-making and Appeals Process* – a provision that would take away public notice and comment on smaller logging, exploratory oil and gas, and other projects and would hamper their appeal;
- Sec. 8301-8303. *National Forest Critical Area Response* – a provision that would authorize the Forest Service to carry out intensive logging, road-building, and other highly controversial projects in ill-defined “critical areas” in national forests, regardless of whether the projects address wildlife risk;
- Sec. 8304. *Good Neighbor Authority* – a provision that authorizes USDA to enter into cooperative agreements with state foresters but contains no requirement that projects be done on only those federal forest areas that are adjacent to state forest land, contains no exclusions for ecologically sensitive areas like wilderness, and also expands the types of projects that state foresters can do on federal forest land, such as commercial logging;
- Sec. 8410. *Categorical Exclusion for Rest Projects in Response to Emergencies* – a provision that would completely exempt salvage logging and other such projects on national forest land from compliance with the National Environmental Policy Act for up to two years in declared disaster areas;
- Sec. 10012. *Modification, Cancellation, or Suspension on Basis of a Biological Opinion* – a provision that would put the interests of pesticide manufacturers ahead of the health of wildlife and communities by preventing the EPA from taking action to protect endangered species from harmful pesticides under the Endangered Species Act without the voluntary agreement of a pesticide manufacturer;
- Sec. 10013. *Use and Discharges of Authorized Pesticides* – a provision that would gut existing Clean Water Act protections for pesticides sprayed directly into waterways;
- Sec. 10014. *Seed Not Pesticide or Devise for Purposes of Importation* – a provision that would make it impossible for EPA to stop hazardous imports of treated seeds before they get into commerce;
- Sec. 12307. *Ensuring High Standards for Agency Use of Scientific Information* – a provision that would place regulatory agencies, including independent agencies, in a stranglehold, making it virtually impossible for them to protect public health and safety and the environment, and fulfill their lawful missions;
- Sec. 12310. *Regulatory Review by the Secretary of Agriculture* – a provision that would interfere with EPA’s mission to protect public health and safety, and the environment, and increase the influence of major agribusiness interests over EPA regulation;
- Sec. 12312. *Prohibition against Interference by State and Local Government with Production or Manufacture of Items in Other States* – a provision that would prevent any state from setting its own standards for farm and food production;
- Sec. 12322. *Improved Department of Agriculture Consideration of Economic Impact of Regulations on Small Business* – a provision that would not aid small businesses, and only delay the rulemaking process and add additional confusion;
- Sec. 12323. – a provision that exempts forestry related activities from the polluted storm water runoff CWA permitting process; and
- Sec. 12326. *Report on National Ocean Policy* – a provision that would hamper the implementation of the National Ocean Policy by generating unnecessary and burdensome paperwork.

Thank you for your continued leadership to craft legislation aimed at sustaining our agricultural natural resources for generations to come. We look forward to working with you and your staff to protect America’s families, farmers and natural landscape.