

July 9, 2012

The Honorable
Committee on Agriculture
U.S. House of Representatives
1301 Longworth House Office Building
Washington, DC 20515

Dear Rep. :

The American Farm Bureau Federation commends you for moving forward in a bipartisan fashion to write the 2012 Farm Bill. Overall, Farm Bureau places a high priority on your decisions to:

- Stand firm on limiting the reductions in savings to \$14 billion in the commodity title and to \$6 billion in the conservation title;
- Protect and strengthen the federal crop insurance program and not reduce its funding; and
- Refrain from basing any program on cost of production.

While the draft legislation addresses many of Farm Bureau's policy priorities, it is our hope there will be additional opportunities to make adjustments and refinements to improve this legislation. Some of the areas Farm Bureau believes would benefit from additional policy work include:

- Improving equity across all commodities. The variety of program options continues to raise concerns that some programs will cause planting decisions to be based on farm program benefits that accrue more beneficially to a particular crop;
- Addressing the net effect of the "Revenue Loss Coverage (RLC) Eligible Acres" provisions to ensure a true "planted acres" approach and avoid recreating "base acres" issues that raise equity and planting distortion concerns;
- Re-instituting the payment limitations and Adjusted Gross Income provisions of current law; and
- Making payments from the Revenue Loss Coverage (RLC) program in a timely manner, rather than one year after the loss, and simplifying the base acre calculation requirements.

Fundamentally, Farm Bureau continues to support a single program option for the commodity title that extends to all crops. We believe the safety net should be comprised of a strong crop insurance program, with continuation of the marketing loan program and a catastrophic revenue loss program based on county level losses for each crop.

Farm Bureau also urges consideration of the following:

- Maintaining the current marketing loan program;
- Rejection of any provision linking conservation compliance with crop insurance;
- Improvements to the crop insurance program whereby enterprise unit coverage will be able to be purchased separately for irrigated and non-irrigated acres and the yield plug used in disaster years is increased from 60 percent to 70 percent;
- Mandating that the Risk Management Agency develop a revenue insurance program that meets the needs of peanut producers by 2013;
- Eliminating the dairy price support program and the Milk Income Loss Contract program and using the funds associated with those programs to offer a voluntary gross margin insurance program for dairy producers;
- Maintenance of the current sugar program;
- Inclusion of the Supplemental Coverage Option (SCO) whereby program crop producers, as well as producers of specialty crops, could purchase a county level revenue policy on top of their individual crop insurance coverage to cover all or part of a producer's deductible portion of their individual insurance policy;
- Restoring the critical non-program crop disaster programs, such as the Livestock Indemnity Program, Livestock Forage Program and the Tree Assistance Program, to provide those producers with some basic risk management tools to help address catastrophic losses and making those programs retroactive;
- Allowing for separate coverage for irrigated and non-irrigated crops for SCO, the Stacked Income Protection Plan (STAX) and enterprise unit crop insurance;
- Achieving the vast majority of necessary reductions in conservation funding from the land retirement programs rather than working land programs;
- Consolidating conservation provisions under 13 programs, rather than 23, and focusing on administrative savings and simplicity in the remaining programs; and
- Expansion of the State Block Grants for Specialty Crops program.

While Farm Bureau sincerely appreciates your endeavors to work on the new farm bill in a timely fashion, it is our hope that you will afford opportunities to make additional adjustments as more detailed analyses highlight areas that would benefit from further simplification and refinement.

With these concerns and hopes for additional policy work noted, we see many provisions in the committee's draft bill that address our core principles for rational, acceptable farm policy. Farm Bureau urges the House Agriculture Committee to pass the bill as a vehicle to move the farm bill to the House floor in a timely manner.

The importance of completing a farm bill cannot be overstated. Be assured that Farm Bureau will do everything it can to help improve this bill as it moves forward. Thank you for considering Farm Bureau's views.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Stallman', with a long horizontal flourish extending to the right.

Bob Stallman
President