

November 5, 2007

The Honorable Tom Harkin  
Chairman  
Committee on Agriculture, Nutrition  
and Forestry  
United States Senate  
Washington, DC 20510

The Honorable Saxby Chambliss  
Ranking Member  
Committee on Agriculture, Nutrition  
and Forestry  
United States Senate  
Washington, DC 20510

Dear Senators:

When the Senate considers the Food and Energy Security Act of 2007, the undersigned organizations respectfully and strongly encourage you to reject any floor amendments which would substantially alter the payment limitation reforms that were included by the Committee.

The provisions of the 2007 farm legislation, as reported by the Agriculture Committee, include a number of substantial modifications which reform current law relative to payment limitations and the adjusted gross income test. The reforms include: enhanced transparency through the elimination of the so-called 3-entity rule (in effect since the late-1980's); reduced caps on program benefits; and, a substantial reduction (70%) in the level of adjusted gross income which disqualifies individuals with income that is not primarily derived from farming, ranching, and forestry from receiving commodity program benefits. On the other hand, the level of adjusted gross income used to determine eligibility for conservation program benefits is unchanged from current law.

The new provisions address the criticisms leveled at farm programs. They will have a significant financial impact on numerous farming operations, lending institutions, and rural businesses. We urge you to reject any amendments which are designed to further reduce benefits or place additional restrictions on program eligibility. These further limitations are clearly unnecessary given the significant changes included in the legislation reported by the Committee.

Farmers and ranchers and their lenders need a predictable, stable farm policy to obtain financing and to make responsible, market-oriented planting and marketing decisions. In addition to enacting balanced and equitable farm legislation, it is important to allow commercially viable farming operations an opportunity to participate in commodity and conservation programs.

Thank you for your leadership and your consideration of our views,

National Corn Growers Association  
American Soybean Association  
American Farm Bureau Federation  
National Association of Wheat Growers  
USA Rice Federation  
US Rice Producers Association  
National Sorghum Producers  
Southern Peanut Farmers Federation  
NC Peanut Growers Association  
Ricebelt Warehouse  
National Cotton Council  
American Sugar Alliance  
American Sheep Industry Association  
National Council of farmer Cooperatives  
Western Peanut Growers Association