

Nov. 5, 2007

The Honorable Tom Harkin
United States Senate
Room 731
Washington, DC 20510-1502

Dear Senator Harkin:

As the full Senate begins debating the 2007 Farm Bill on the floor, the undersigned organizations ask that you support the comprehensive, bipartisan packages that were recently passed from the Committee on Agriculture, Nutrition and Forestry and Committee on Finance.

On Oct. 25, the Senate Committee on Agriculture approved a bipartisan farm and food security package that provides a much needed safety-net for producers, rural communities and all Americans. With a very limited budget, the Committee was able to provide a solid foundation with which to move the 2007 Farm Bill forward. The package includes far reaching reforms on payment limitations, a new optional safety-net program asked for by some Midwestern growers, a traditional farm program package and more funding for specialty crop producers, conservation and nutrition programs.

The reforms to payment limitations that the Committee included address much of the criticism aimed at farm programs. The Committee bill includes a 70 percent cut to the adjusted gross income cap for recipients of commodity payments while leaving a \$2.5 million cap in place for recipients of conservation payments; a reduction in counter cyclical payment eligibility; elimination of the three-entity rule; and elimination of generic certificates for marketing loans. These changes will have a significant financial impact on numerous farming operations, lending institutions and rural businesses, and we urge you to reject any amendments that are designed to further reduce benefits or place additional restrictions on program eligibility.

We also hope you will oppose efforts to make changes to the Average Crop Revenue program (ACR) that would re-couple the program to crop insurance. The proposal that was included in the Committee-passed bill ensures that important crop insurance programs that are so vital to many of our producers will not be compromised. We also urge you to oppose any further budget cuts to the crop insurance program as significant reductions are already included in the overall bill.

Additionally, the Committee on Finance recently passed a package of agriculture-related provisions to help offset some of the problems growers face during weather related disasters. We support the provisions in this package and ask that you oppose any effort to cut the important programs funded by that Committee.

The reforms and improvements in the combined packages are the result of a delicate balancing of interests for all stakeholders, including food stamp recipients, conservationists and farmers throughout the United States. Any attempt to weaken this balanced package could undermine the hard work of the Committee and leave producers and other stakeholders without an effective farm and food safety net. As you weigh your votes on the bill, we ask you to keep these important points in mind:

- The Committee-reported Farm Bill DECREASES farm and commodity (title I) program outlays by \$7.50 billion over 5 years.
- The Committee-reported Farm Bill INCREASES conservation (title II) program outlays by \$4.24 billion over 5 years
- The Committee-reported Farm Bill INCREASES nutrition (title IV) program outlays by \$5.27 billion over 5 years. Nutrition spending is approximately 68% of the bill's total.

Thank you for your support of American agriculture and your consideration of these issues.

Sincerely,

American Association of Crop Insurers
American Beekeeping Federation
American Cotton Shippers Association
American Sheep Industry Association
American Sugar Alliance
Corn Producers Association of Texas
Crop Insurance Professionals Association
Crop Insurance Research Bureau
Independent Insurance Agents & Brokers of America
Minnesota Corn Growers Association
National Association of Wheat Growers
National Sorghum Producers
National Cotton Council
North Carolina Peanut Growers Association
Peanut Growers Cooperative Marketing Association
Ricebelt Warehouses
Rural Community Insurance Services
Southern Peanut Farmers Federation
Southwest Council of Agribusiness
USA Rice Federation
U.S. Rice Producers Association
Virginia Peanut Growers Association
Western Peanut Growers Association