

August 1, 2018

The Honorable Michael Conaway  
Chairman  
House Committee on Agriculture  
Washington, DC 20515

The Honorable Pat Roberts  
Chairman  
Senate Committee on Agriculture  
Washington, DC 20510

The Honorable Collin Peterson  
Ranking Member  
House Committee on Agriculture  
Washington, DC 20515

The Honorable Debbie Stabenow  
Ranking Member  
Senate Committee on Agriculture  
Washington, DC 20510

Dear Chairmen Roberts and Conaway and Ranking Members Stabenow and Peterson:

On behalf of the American Farm Bureau Federation and our nearly 6 million members, thank you for your work to pass a farm bill out of your respective chambers. Your dedication to completing a farm bill on time is greatly appreciated by farmers and ranchers.

As you well know, in 2017 America's farmers and ranchers faced the steepest five-year downturn in the farm economy EVER—losing \$60 billion in net farm income as measured in nominal dollars. In February, USDA projected farm debt to rise to a record \$389 billion in 2018. USDA also projected net farm income to fall to a 12-year low of \$59.5 billion—and that was before the price erosion due to ongoing trade tensions and lost access in some of our biggest international markets.

The risk management programs in the farm bill help farmers deal with the shifting winds of agricultural markets and help our farmers compete against heavily subsidized commodities produced in foreign markets.

The farm bill also helps farmers and ranchers survive catastrophic floods, rain and hail, droughts and other natural disasters without having to repeatedly go to Congress for costly ad hoc disaster payments.

While the farm bill cannot restore lost markets, it does provide a degree of certainty amid our turbulent trade climate. Without the solid foundation of the farm bill and the certainty it provides in the event of a price decline or crop loss, many farmers and ranchers could not get the operating loans needed to grow another bountiful crop, milk cows or raise and care for livestock.

Farm Bureau would like to highlight our concerns with the Senate conservation title, as it takes a significant step backward from progress made in the 2014 conservation title by re-infusing top-down bureaucracy and carving up and retargeting important working lands conservation programs. It adds multiple layers of bureaucratic hurdles and consultation requirements, and earmarks redirect funding away from on-the-ground conservation practices. Some partnership programs will see up to 30 percent of their funding redirected to grant administration, resulting in less funding going to conservation practices. Overall, CRP, EQIP and CSP will all see a proliferation of one-off niche programs, easement requirements and wildlife mandates that will diminish their effectiveness.

The expansive nature of the farm bill touches a host of other priorities including military veterans, beginning farmers, conservation, credit, horticulture, research, food aid, forest management, bioenergy, regulatory certainty, rural development and others. We offer the following recommendations concerning specific program areas:

## **Commodity Programs**

*We support:*

- Improvements to the Price Loss Coverage (PLC) program and the Agriculture Risk Coverage (ARC) program;
  - The opportunity for farmers to re-elect or re-enroll in ARC and PLC;
  - Farmers having a one-time program contract with the Secretary to enroll in ARC or PLC through crop year 2023;
  - Using Risk Management Agency (RMA) data as the primary source to determine a more accurate county yield if RMA data at the farm level is protected from a Freedom of Information Act request; and
  - Making ARC-CO payments using the ARC-CO payment rate for the county in which the land is physically located rather than the rate for the administrative county used by the farmer;
- Only voluntary base acre updating;
- The 30-day notice of marketing year payment rates;
- Basing Title 1 payments on historic, rather than planted, acres;
- Greater flexibility and risk management options for those actively engaged in the operation of a farm or ranch;
- The current provisions for the peanut and sugar programs; and
- Improvements to the Dairy Program including enhancements to the margin-based safety net program, the ability to donate milk, refunds to those producers who paid into the Margin Protection Program and the ability of producers to utilize Federal Crop Insurance Livestock-based insurance policies and Title I dairy commodity programs simultaneously.

*We oppose:*

- A mandatory base acre update;
- Offsets that burden one commodity or region of the country over the other; and
- Income means testing, payment limitations, and targeting of benefits being applied to farm program payment eligibility.

## **Conservation Programs**

*We support:*

- Maintaining funding for conservation programs;
- Prioritizing working lands conservation programs;
- Reforming sodbuster and swampbuster programs to ensure clarity, transparency and consistency in the regulations:

- The House provisions on minimal effects and mitigation banking;
- Marginal and highly erodible land returning as the focus of the Conservation Reserve Program (CRP):
  - Our policy supports a cap of 24 million acres and would be more supportive of the Senate cap of 25 million acres.
  - Calculation of CRP rental rates should be re-examined to ensure they mirror, but do not exceed, the rental rates of comparable land in an immediate area. Rates should be based on the agricultural production value of the land.
- Adequate funding for the Environmental Quality Incentives Program (EQIP) for fencing, fresh water and other livestock programs including a livestock specific carveout; and
- Financial assistance for eradication and control of feral swine with an emphasis on funding for eradication.

*We oppose:*

- Permanent CRP easements;
- Bureaucratic consultation with state technical committees, Wildlife and Water Resources agencies, FSA, Fish and Wildlife Service and Commodity organizations;
- Data sharing practices that jeopardize privacy concerns; and
- Funding being shifted away from on-the-ground conservation practices.

## **Trade**

*We support:*

- Increased funding for market development and access programs.

## **Rural Programs**

*We support:*

- Including a grant and loan program to assist with the establishment of agricultural Association Health Plans, which allow small businesses and sole proprietors to offer the same types of health plans that larger employers offer;
- The “Precision Agriculture Connectivity” provision that creates a task force to focus on the broadband connectivity and technology needs of precision agriculture; and
- The development of jobs accelerator centers and programs located in or serving low-income rural communities.

## **Insurance Programs**

*We support:*

- The availability of crop yield and/or revenue insurance for all producers of all crops.

## **National Animal Disease Preparedness**

*We support:*

- Authorization and funding for the National Animal Disease Preparedness and Response Program to address the risk of animal pests and diseases affecting U.S. livestock producers.

## **Hemp**

*We support:*

- Provisions that would allow the American farmer to grow industrial hemp legally and tap into current and emerging markets.

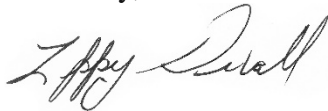
## **Regulatory Reform**

*We support:*

- Improvements in the House version regarding the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA);
- The elimination of the requirement of an NPDES permit under the CWA for pesticides approved under FIFRA;
- Repeal of the Waters of the United States (WOTUS) rule;
- Provisions relating to the Protecting Interstate Commerce Act (PICA); and
- Greater regulatory flexibility for the transportation of agricultural commodities and livestock which should also include live fish and crawfish.

Thank you for considering this information. We are committed to working with you and the conference committee to get the best farm bill possible for all Americans.

Sincerely,



Zippy Duvall  
President

CC: Leadership and Conference Committee Members