



## NEW FARM BILL MUST HARVEST SAVINGS AND NOT PLANT NEW ENTITLEMENTS

May 23, 2012

Dear Senator:

On behalf of the millions of members represented by our organizations, we urge you to vote no on The Agriculture Reform, Food and Jobs Act of 2012 (Farm Bill). The bill barely makes a dent in the massive agricultural subsidy system and fails to decrease Washington's outsized and outdated role in American agriculture.

Farm businesses are a testament to the skill, ingenuity, and persistence of Americans. While many sectors continue to feel the effects of the recession, American agriculture is one of the few bright spots in the economy. Net farm income is at \$98 billion, nearly doubling between 2001 and 2011. Farm businesses exported nearly \$140 billion worth of products, exceeding imports of agricultural products by more than \$37 billion. And it's estimated that one out of every 12 jobs is connected to agriculture.

Congress must take this opportunity to reassess unnecessary and complicated federal policies that manipulate market decisions in this critical and vibrant component of our economy.

Yet, the Farm Bill fails to even meet the meager \$30 billion deficit reduction target in the President's fiscal year 2013 budget request, containing a mere \$23 billion in deficit reduction, squandering this opportunity. The bill does eliminate some unnecessary programs, like direct payments, counter-cyclical payments, and ACRE - a step that is long overdue. But it then turns around and replaces them with new entitlement programs to guarantee agricultural business profits, such as Agricultural Risk Coverage and Crop Insurance Supplemental Coverage Option. This is indefensible. Congress must not create any new

potentially budget-busting entitlement programs that would increase Washington's role in farm business decisions while destroying the nascent private supplemental crop insurance industry. These new programs are not a safety net; they're a springboard to guaranteed profits for agriculture at the cost of major annual drains on the treasury.

The Farm Bill also fails to make meaningful reforms to the largest Washington-based support for agriculture, federally subsidized crop insurance. The Congressional Budget Office (CBO) estimates this program—which provided \$2.2 billion in subsidies for just one agricultural producer's insurance premiums in 2011—will cost more than \$90 billion over the next ten years. According to CBO's preliminary score of the Farm Bill, costs for federally subsidized crop insurance will actually increase \$3 billion. We also oppose using the Farm Bill to undo recent progress on reducing misguided biofuels subsidies.

America's agricultural economy is strong. This strength and the glaring weakness of the federal budget—\$15 trillion in debt and trillion dollar deficits projected for the next decade—make it essential that Washington's role in agricultural policy be reformed.

For more information, please contact Joshua Sewell of Taxpayers for Common Sense at 202-546-8500 x116, or [josh@taxpayer.net](mailto:josh@taxpayer.net).

Sincerely,

American Commitment  
Americans for Prosperity  
Americans for Tax Reform  
Competitive Enterprise Institute  
Council for Citizens Against Government Waste  
FreedomWorks  
Heritage Action for America  
R Street  
National Taxpayers Union  
Taxpayers for Common Sense  
Taxpayer Protection Alliance