

Fairness in Farm and Food Policy Amendment

This week, the House will be asked to extend a Farm Bill that will funnel billions of dollars in taxpayers' money to the same narrow group of the largest subsidized farms in a handful of House districts. It is a bill that will continue to do too little to feed the hungry, help the environment, promote healthy food choices, reduce the deficit, or comply with our international obligations. If passed, more than half of all farm spending would continue to flow to just 20 congressional districts for the next five years.

The Fairness in Farm and Food Policy Amendment will have bipartisan support and will take the first steps to put America on a new course. It will provide a more reliable safety net for America's family farmers at less cost to the taxpayer. It will reflect the priorities of a new America by providing new resources to address our country's hunger, health, environmental and fiscal priorities. It would provide risk management tools as modern and entrepreneurial as our farmers.

Key reforms include:

- **A Fair and Modern Safety Net for Production Agriculture**—Replaces depression-era price guarantees with a modern revenue-based safety net developed by USDA experts that better protects family farmers from declines in crop prices and crop yields. Savings: \$1 billion over five years.
- **Support Working Family Farmers**—Denies subsidies to large commercial farmers with average annual adjusted gross income greater than \$500,000 and limit annual subsidies to \$250,000 per person.
- **Reform Crop Insurance**—Reforms our government-subsidized crop insurance program to fairly share the costs and risks of this program with crop insurance agents and companies. Savings: \$2 billion over five years.
- **Gradually Reduce Automatic Direct Payments**—Gradually reduces direct payments, which were created to wean farmers off subsidies in 1996 but which have become an entitlement program that will cost more than \$26 billion over five years. Limited resource farmers would be exempted from cuts, and modest incentives would encourage farmers to invest payments in rainy day accounts. Savings: at least \$7 billion over five years.

The preliminary outline of where spending will occur over 5 years is provided below, describing what the House Agriculture Committee provided and likely increases in this amendment.

	5-year total budget and policy changes	
	HR 2419	Fairness Amendment
CONSERVATION		
Conservation Security Program	2012 enrollment open	2009 enrollment open
Grasslands Reserve Program	\$240 million	\$778 million
Chesapeake Bay Program for Nutrient Reduction and Sediment Control	\$150 million	\$300 million
Community Forests and Open Space Conservation Program	\$0	\$50 million
Environmental Quality Incentives Program	\$8.6 billion	\$9.295 billion
Wildlife Habitat Incentives Program	\$425 million	\$625 million
Healthy Forests Reserve Program	\$85 million	\$205 million
TRADE		
McGovern Dole International Food Program	\$0	\$1.1 billion
NUTRITION		
Food Stamp Program		
-Standard Deduction in 2008 and then indexed to inflation	\$145 in 2008	\$156 in 2008
-Minimum monthly benefit indexed to Thrifty Food Plan	not funded	funded
-Eliminates cap on dependent care deduction	not funded	funded
-Retirement/education accounts not counted as income resources	not funded	funded
-Combat pay exclusion	not funded	funded
		(continued on back page)

5-year total budget and policy changes**NUTRITION (continued)****HR 2419****Fairness Amendment**

Mandatory funding for TEFAP increased to \$250 million for FY08 and indexed for inflation thereafter.

not funded

funded

Hunger-Free Communities Act

\$0

\$250 million authorized

Food for the Hungry Transportation Grant Program

\$0

\$25 million authorized

RURAL DEVELOPMENT

Rural Entrepreneur and Microenterprise Assistance Program

\$100 million

\$200 million

Value-Added Market Development Program

\$150 million

\$250 million

-% reserved for beginning and socially disadvantaged producers

10%

15%

ENERGY

Renewable Fuels Certification Program

no

yes

SPECIALTY CROPS

Specialty crop block grants

\$265 million

\$515 million

Farmers Market Promotion Program

\$35 million

\$100 million

Organic Transition and Technical and Educational Assistance

\$0

\$50 million authorized

National Organic Certification Cost Share Program

\$110 million

\$125 million

Specialty Crop Research

\$500 million authorized

\$500 million mandatory

Organic Research

\$125 million authorized

\$125 million mandatory

Fresh Fruit and Vegetable Program

\$350 million

\$500 million

Seniors Farmers' Market Nutrition Program

\$75 million

\$225 million

Fruit and Vegetable Nutrition Promotion Program

\$0

\$75 million

Community Food Projects

\$150 million authorized

\$150 million mandatory

Community Supported Agriculture Program

\$0

\$255 authorized

CROP INSURANCE

Crop insurance underwriting gains

no change

30% returned to FCIC

Crop Insurance Administration and Operation subsidy

22.5% of premium

15 % of premium

SOCIALLY DISADVANTAGED AND BEGINNING PRODUCERS

1890 Institutions included in additional research beyond Nutrition Education Program

no

yes

Moratorium on new foreclosures and loan accelerations

no

yes

Socially Disadvantaged Producers Access Program

\$0

\$400 million

Pesticides Recordkeeping

\$0

\$15 million

Outreach and Technical Assistance

\$75 million

\$175 million

Socially Disadvantaged Farmers and Ranchers Moratorium Commission

no

yes

DEFICIT REDUCTION

Savings for taxpayers

\$0

\$2 billion