



News from

# Congressman Ron Kind

REPRESENTING WISCONSIN'S THIRD  
CONGRESSIONAL DISTRICT

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## Rep. Kind Formally Introduces FARM 21

### *Bold Farm Bill Reforms Gearing Support of a Broad and Diverse Set of Interests*

**Washington, D.C.** – With the Farm Bill debate weeks away, U.S. Reps. Ron Kind (D-WI), Jeff Flake (R-AZ), Joe Crowley (D-NY), and David Reichert (R-WA) today formally introduced The Food & Agriculture Risk Management for the 21st Century Act (FARM 21), reform legislation that takes farm policy in a bold new direction.

“The time is right to reform our farm and food policies,” Rep. Kind said. “Commodity prices are high, farm income is stable, and the debt-to-asset ratio in farm country is the lowest it has ever been. Our current farm policies favor multi-million dollar commodity producers over family farms, and FARM 21 would change that. It would provide a more effective safety net for farmers, while investing in our rural communities, improving our environment and eating habits, and reducing the deficit. I truly believe that if we do it right, this could be the great investment rural America has been waiting for.”

America’s farm policies are problematic for a number of reasons. The current system facilitates a cycle in which farmers produce for the government paycheck, resulting in overproduction and depressed prices. This has international implications as well because keeping prices artificially low hinders the ability of developing countries to strengthen their own agriculture industries. Our market-distorting policies have caught notice of the World Trade Organization, and they have already ruled our cotton subsidies illegal – inviting retaliatory tariffs on non-agriculture products.

“If we don’t make some changes, the World Trade Organization will be writing our agriculture policies for us,” Rep. Kind said. “This is a way for us to reform our policies on our own terms. Furthermore, bringing our farm programs into compliance with trade agreements could jumpstart international negotiations that would open new markets for our agricultural products.”

FARM 21 makes our farm policies trade-compliant by transitioning the current system of farm subsidies – counter-cyclical, loan deficiency, income loss, and direct payments – to a more cost-effective and responsive system of farmer-held “risk management accounts” (RMAs) and revenue insurance tool.

Acting similar to IRAs for farmers, risk management accounts would be held jointly with the U.S. Department of Agriculture at a lending institution of the farmer’s choice. Under the proposal, commodity subsidies would continue – but decline – over seven years, with an increasing portion of each year’s payment being directed specifically to the farmer’s RMA.

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Farmers could use the money in their RMAs to cover the “shallow” losses that are not covered by crop and revenue insurance policies, make investments, and plan for the future. Accounts also would act like a pension, and like an IRA, farmers could deposit their own money into them as well, tax-free.

These reforms would create a farmer safety net that is estimated to cost nearly \$20 billion less over five years and \$55 billion less over ten years than simply extending the existing farm subsidies. The tremendous cost savings from these reforms would allow investment in other critical fiscal and farm bill priorities including:

- **Expanding Rural Development Programs:** Farmers would be able to withdraw funds from their accounts to invest in rural enterprises that boost farm income. In addition, this legislation would increase rural development spending by \$700 million over five years.
- **Improving the Environment:** Spending on conservation programs would be increased by \$6 billion over five years, including the expansion of the EQIP program to more than \$2 billion annually and programs to protect millions of wetland, farm, and ranch acres from sprawl.
- **Producing Energy on Farms:** Renewable energy programs and renewable energy research would be increased by at least \$1 billion over five years, including sufficient funds to provide at least \$5 billion in loan guarantees for renewable energy development on farms, ranches, and forest lands.
- **Promoting Healthy Food Choices:** Funding for programs to link farmers with local schools, to establish farmers markets, to provide healthy snacks at thousands of schools, and to promote more consumption of fresh fruits and vegetables would be expanded by \$400 million over five years.
- **Investing in Domestic and International Anti-Hunger Programs:** Under this proposal, spending on anti-hunger programs, primarily the Food Stamp Program, would be increased by \$5 billion over five years. In addition, the McGovern-Dole program would receive increased funding of \$500 million over five years, providing for donations of agricultural products for school feeding and nutrition projects in low-income countries.
- **Reducing the National Debt:** This legislation proposes to reduce the deficit by \$5 billion between 2008 and 2012 and by more than \$20 billion over ten years.

“Representing western Wisconsin for ten years, I’ve talked to many farmers who say if they could just get a fair market price for their products, they wouldn’t need or want these government handouts,” Rep. Kind said. “That time has come, and now a broad and diverse set of interests are converging around our ideas for reform. From the environmental community, to fiscal conservatives, to nutrition advocates and humanitarian groups, the call for change is simply too loud to ignore. This is our opportunity to reform our farm policies to benefit all Americans, and I strongly urge Chairman Peterson and the Agriculture Committee to consider these reforms.”

FARM 21 is supported by the following organizations: Bread for the World, OxFam, Environmental Defense, National Taxpayers Union, Taxpayers for Common Sense, Citizens Against Government Waste, Environmental Working Group, and the Grocery Manufacturers Association.