



News from

Congressman Ron Kind

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FOR IMMEDIATE RELEASE

Tuesday, June 19, 2007

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In Advance of Subcommittee Markup, Members Call for New Direction in Farm Policy

Washington, D.C. – U.S. Reps. Ron Kind (D-WI), Jeff Flake (R-AZ), Earl Blumenauer (D-OR), David Reichert (R-WA), Tom Petri (R-WI), Rush Holt (D-NJ), Christopher Shays (R-CT), Mark Steven Kirk (D-IL) and others joined today in advance of the markup meeting of the House Agriculture Subcommittee on General Commodities and Risk Management to call on committee members to embrace changes in commodity programs that will benefit more family farmers in more regions of the country.

“There is another way to provide our farmers with an adequate safety net than simply the status quo,” Rep. Kind said. “We are in a unique position right now to take farm policy in a bold new direction, and I urge the Agriculture Committee members to consider the reforms laid out in FARM 21 that will benefit more family farmers and more communities across America.”

“Agriculture is a critical part of our economy, and farmers across the country are facing new and increasing pressures from budget deficits, trade rules, climate change, urban sprawl, rising energy costs and shrinking water resources,” said Congressman Blumenauer. “If we really take our responsibility seriously, we will pass FARM 21 and craft a forward-looking Farm Bill that is good for farmers, good for the economy, good for nutrition and good for the environment. Every American community, whether urban or rural, has a stake in the Farm Bill, and I am hopeful about prospects for change.”

The House Subcommittee on General Farm Commodities and Risk Management is expected to introduce FARM 21 as an amendment during today’s markup, and bring it to a vote. So far, the call for reform has come largely from outside the Agriculture committee, with the Subcommittee on General Commodities and Risk Management recommending a status quo approach for the future of U.S. farm programs. They have indicated that the revenue saved by lowering direct payments will be shifted within Title I to increase target prices and loan rates to select commodities. This would simply continue a policy that encourages overproduction and distortion of market conditions through the use of government subsidies, and would do nothing to address the objections of the World Trade Organization.

“Our farm programs in their current form are unsustainable – financially, economically, and environmentally,” Rep. Kind continued. “Creating a more equitable system that doesn’t distort the market recognizes that farmers are sophisticated businessmen and women that don’t need government support to survive, and would even open up new markets for their products abroad. We can do so much more with our farm programs to better the environment and kids’ eating habits, promote renewable energy, and invest in rural communities. FARM 21 offers a way to get there.”

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Rep. Kind concluded: “From the environmental community, to fiscal conservatives, to nutrition advocates and humanitarian groups, and representatives on both side of the aisle – rural and urban – the call for change is simply too loud to ignore. This is our opportunity to reform our farm policies to benefit all Americans, and regardless of the committee’s vote today, we will continue to push these reforms with our colleagues in the House. Every member, whether they know it or not, has a stake in the Farm Bill, and because of that, I expect we’ll have an open debate on the best direction to take farm policy in America.”

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

Rep. Kind’s FARM 21 proposal is cosponsored by Representatives Jeff Flake (R-AZ), Joe Crowley (D-NY), Dave Reichert (R-WA), Shelley Berkley (D-NV), Earl Blumenauer (D-OR), Rush Holt (D-NJ), Mark Steven Kirk (R-IL), Jim McDermott (D-WA), Tom Petri (R-WI), Steven Rothman (D-NJ), Paul Ryan (R-WI), Chris Shays (R-CT), and Adam Smith (D-WA).

Background on FARM 21:

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.

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.

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 save nearly \$20 billion over five years and \$55 billion less over ten years. The tremendous 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.

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- **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.