



News from

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Reform Coalition Unveils 'Fairness in Farm and Food Policy' Amendment

Members Taking Farm Bill Reform Proposal to the Floor

Washington, DC – U.S. Representatives Ron Kind (D-WI), Jeff Flake (R-AZ), Earl Blumenauer (D-OR), Paul Ryan (R-WI), Barbara Lee (D-CA), Dave Reichert (R-WA), Rush Holt (D-NJ), Christopher Shays (R-CT), and Jim Moran (D-VA) today unveiled the *Fairness in Farm and Food Policy Amendment*, which they intend to bring to the floor when the 2007 Farm Bill reauthorization is considered on the House floor later this week.

“This coalition succeeded in elevating the debate about the future of farm policy in America and pushed the Agriculture Committee to make some changes to our commodity programs,” Rep. Kind said. “Unfortunately, the changes they made include loopholes large enough to drive a combine through. They failed to address the real problems with our current farm programs: they direct billions in taxpayer dollars to a few but very wealthy producers in a handful of congressional districts at the expense of programs that truly help family farms; they distort the market; and they make us susceptible to WTO challenges. The Fairness Amendment would change that – making farm spending more equitable and fiscally responsible, and reinvesting the savings in rural America through conservation, nutrition, and rural development.”

Last week, the House Agriculture Committee passed a Farm Bill that makes very minimal changes to commodity programs, making the U.S. even more susceptible to WTO challenges. The bill included an income “limit” of \$1 million, which preserves loopholes that will still allow the wealthiest farmers to collect subsidies, and expanded direct payment entitlements at a time when commodity prices are at near-record highs.

“Market conditions and the current political environment have created a unique opportunity for Congress to make serious, meaningful reforms to our farm policy,” Rep. Flake said. “If we squander this opportunity now, we may be stuck with this antiquated policy for many more years.”

A unique coalition in the House converged in favor of reform including members of Congress from both sides of the aisle. Earlier this year, the bipartisan group of lawmakers brought the reform debate to the forefront with a legislative package that made significant changes to agriculture policy, FARM 21. In response to feedback on FARM 21 from members, constituents, and others, Reps. Kind and Flake developed the Fairness Amendment, which retains important aspects of the farm safety net that producers have come to know, but will reform them to work better and more equitably. Many of the proposals mirror the ideas advocated by the United States Department of Agriculture and others.

(more)

“Because the Farm Bill directly affects the economy, the environment, farmers across the country and everyone who eats every day, it is past time for serious reform,” said Rep. Blumenauer. “I have been working to change the Farm Bill since the last reauthorization in 2002 because every American community, whether urban or rural, has a stake in it. The Farm Bill proposed by the Agriculture Committee sadly contains reforms more in name than in substance. The amendment we’re proposing today would not only implement reforms to commodity programs but provide resources for local producers and nutrition programs. Make no mistake: the status quo bill proposed by the Agriculture Committee is not only a lost opportunity for reform, but it is a direct threat to the majority of America’s farmers and ranchers.”

The Fairness Amendment will save about \$12 billion over five years by making commonsense reforms to commodity programs that will make them more equitable and geared toward family farms instead of a few very large and wealthy entities producing five crops.

“The government’s farm assistance program should be a safety net for family farmers in times of need – not corporate welfare with million-dollar payoffs,” Rep. Paul Ryan said. “With this amendment, we address the abuses and distortions of the current system and set up a better alternative to help struggling family farms during tough times.”

Key Reforms:

- ***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 \$250,000 and limits annual subsidies to \$250,000 per person.
- ***Reform Crop Insurance*** – Reforms our government-subsidized crop insurance program to fairly share the costs and risks with crop insurance agents and companies. *Savings: \$2 billion over five years.*
- ***Gradually Reduces Automatic Direct Payments*** – Gradually reduces direct payments, created to wean farmers off subsidies, which has 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.*

New Investments (mandatory spending over five years, above the Committee’s proposal):

- ***Domestic Hunger Assistance*** – Increases hunger assistance by at least \$5.6 billion for domestic programs to feed more deserving people, especially hungry children and seniors.
- ***Stewardship*** – Increases voluntary conservation programs by \$3 billion.
- ***Fruit and Vegetable Producers and Healthy Food Choices*** – More equitably supports fruit and vegetable producers and promotes healthy food choices with an increase of \$1.2 billion.
- ***Minority Farmers*** – Provides an additional \$500 million to support minority farmers and makes overdue changes to make USDA programs more accessible.
- ***Rural Prosperity*** – Increases by \$200 million the grants and loans available for the development of new rural enterprises.
- ***Deficit Reduction*** – Reduces the deficit by \$2 billion over five years and by roughly \$10 billion over 10 years.
- ***School Lunches Overseas*** – Increases by \$1.1 billion the McGovern-Dole program to provide school lunches to hungry children in developing countries.