



July 10, 2012

The Honorable Frank Lucas
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

The Honorable Collin Peterson
Ranking Member
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Lucas and Ranking Member Peterson:

On behalf of National Farmers Union (NFU), thank you for your work in advancing the 2012 Farm Bill into the next stage of the committee process. Your efforts to provide an effective policy for farmers, ranchers and rural Americans are appreciated. As the committee takes up the legislation, NFU would like to express its reaction to specific provisions of the chairman's mark.

I commend the committee for including meaningful protection against long-term commodity price collapse with the Price Loss Coverage (PLC) program. The reference prices in the bill are equitable, reasonable and provide assistance to farmers only in times of need. The bill could be further improved if PLC was not an elective program, but instead ran concurrently with the other major portion of the commodity policy, the Revenue Loss Coverage (RLC) program. By providing a degree of protection against two variables that farmers cannot control – weather conditions and prices – and maintaining a strong set of risk management tools through crop insurance, the bill offers a functional safety net that provides assistance only when it is needed.

Regarding the energy provisions outlined in the chairman's mark, NFU is disappointed by the lack of mandatory funding. The energy title has broad bipartisan support across the country and produces outside benefits for rural economies and our nation's energy security. Additionally, I am concerned that the legislation prohibits funding of ethanol blender pumps and feasibility studies for renewable energy projects.

NFU opposes any amendments that strip the market stabilization program from the dairy reforms in the bill. Without any limits on domestic dairy supplies, milk prices could decline unchecked with increased production from the dairy margin protection program. The margin program would become very costly as lower and lower prices would require greater payments to farmers participating in the margin protection program. NFU urges you to support the market stabilization program for dairy and to oppose any amendments that would further weaken or strip it from the bill.

I am pleased that the legislation invests significant funding in conservation and makes programs more effective and efficient. I urge the committee to sustain no further cuts to conservation programs. According to a recent NFU poll, farmers across the country overwhelmingly support

conservation programs and see them as critical to their bottom line. NFU believes farmers should not be incentivized to convert native grasslands to production and that greater protection should be provided for highly erodible land. I support amendments that would provide a sodsaver provision and that would relink conservation compliance with crop insurance provisions of the bill.

I ask the committee not to make any legislative changes to Country-of-Origin Labeling (COOL) until all regulatory efforts to come into compliance with the recent World Trade Organization ruling are exhausted. Further, NFU strongly opposes any efforts to roll back any of the fairness provisions for livestock and poultry producers that were included in any part of the Grain Inspection, Packers and Stockyards Administration (GIPSA) rulemaking process of 2010 and 2011. The committee should not undo the important progress for family farmers, ranchers and consumers made by COOL and GIPSA rules.

NFU opposes any effort to damage or repeal current sugar policies. The sugar program works extremely well for farmers, processors, consumers and taxpayers as it operates at no cost to the federal government and keeps prices stable for producers and low for the general public.

The bill significantly reduces federal investment in key rural development programs. NFU asks that additional mandatory funding be made available for rural development programs so that this legislation can truly be a "jobs bill" for rural communities.

Finally, your prior bipartisan, collaborative work with the Senate Committee on Agriculture, Nutrition and Forestry formulating recommendations to the Joint Select Committee on Deficit Reduction created the framework for the Agriculture Reform, Food and Jobs Act of 2012 passed in June by the U.S. Senate, particularly by setting the level of spending cuts deemed appropriate for the 2012 Farm Bill to bear. Just as crop insurance and commodity programs serve as a safety net for farmers who face losses caused by weather-related disasters or price collapse, the Supplemental Nutrition Assistance Program (SNAP) is a lifeline for those in dire situations who face unexpected hardship. In order to preserve program integrity and ensure consistency between the House and Senate versions of the legislation to ease the conference process, I urge you to restore nutrition title funding to the level included in the nutrition title of the Senate-passed farm bill.

I am pleased that the committee is proceeding with mark-up of this important legislation and look forward to continuing to work with you to ensure the bill's final passage before its Sept. 30 expiration.

Sincerely,



Roger Johnson
President

Cc: House Agriculture Committee