



**National Farmers Union
Special Order of Business 2011**

FISCALLY RESPONSIBLE FARM POLICY

WHEREAS, American consumers enjoy the safest, most abundant and affordable food supply in the world, spending less than 10 percent of their disposable income on food which contributes to our great nation's high standard of living; and

WHEREAS, agricultural markets have proven to behave differently than typical economic theory and that trade alone cannot solve the problem of persistently low, long-term farm income, because food is an issue of national security and countries will always strive to maintain an over-supply of domestically produced food; and

WHEREAS, farm support programs are in place to guarantee the American consumer maintains access to clean, affordable, abundant food, from a network of independent family farms. Any change contemplated in the overall farm program system must continue to protect the farmer from predatory market/contracting tactics, as well as protect the consumer from the abusers of such a system. This ideal has been eroded to allow the non-agriculture entities in the food supply chain system to profit at the expense of independent producers; and

WHEREAS, the current high price climate for many agricultural commodities will come to an end and policymakers would be well-served to consider that these record highs may not be the dawning of a new era in agricultural markets; and

WHEREAS, the number of family farmers and ranchers who derive the majority of their income from production agriculture continues to shrink due to increased price volatility for both agricultural commodities and inputs; however, these farms are crucial to our nation's food security and the health of our rural economies; and

WHEREAS, the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill), after thousands of hours of debate and almost two years of legislative attention, has been widely praised for its appeal to nearly all sectors of agriculture, the strides it makes toward the goal of ending hunger in the U.S. and around the world, and its fiscally responsible spending reductions totaling nearly 40 percent from the previous legislation; and

WHEREAS, the next farm bill faces significant funding challenges, given the state of the overall federal budget and that the farm bill baseline has been eroding during the past several years due to reductions in program spending, most notably the \$4 billion subtracted as a result of the 2011 Standard Reinsurance Agreement; and

WHEREAS, 37 programs enacted as part of the 2008 Farm Bill, including programs in renewable energy, conservation, rural development, horticulture and organic agriculture, have baseline funding that will expire at the end of fiscal year 2012, and permanent disaster programs ending in 2011, resulting in a structural funding shortage for the next farm bill even if the current programs were to be continued; and

WHEREAS, farm programs have been unfairly targeted by the media and in the public forum for the federal assistance provided to family farmers and ranchers to maintain our domestic food security; and

WHEREAS, the next farm bill will be an invaluable opportunity for the federal government to invest wisely in the future of agriculture, energy, conservation, food security and rural America, even as resources may be limited as never before;

THEREFORE, BE IT RESOLVED that the next farm bill must include a farm safety net for producers that will provide meaningful assistance, especially in times of low agricultural commodity prices and/or low production, thereby providing a degree of stability for family farmers to stay in production; and

BE IT FURTHER RESOLVED that the next farm bill should be considered and approved during the 112th Congress because the expiring baselines of many 2008 Farm Bill programs, and the potential damage that their expiration would cause, require the bill to be acted upon in a timely manner; and

BE IT FURTHER RESOLVED, all options, as elected by producers, including direct payments, should be examined to determine the best use of the farm program funds during difficult times; and

BE IT FURTHER RESOLVED that the next farm bill should help protect farmers against deep losses due to weather-related disasters as well as devastatingly low prices or high input costs, which could be resolved by combining or intertwining elements of the Supplemental Revenue Assistance Program (SURE), the Average Crop Revenue Election Program (ACRE) and the federal crop insurance program; and

BE IT FURTHER RESOLVED that mechanisms to balance the highs and lows of commodity supplies, such as buffer stocks or a farmer-owned grain reserve, should be strongly considered as a means to achieve greater stability in the global agricultural marketplace and to provide assistance to the hungry, both at home and abroad; and

BE IT FURTHER RESOLVED that crop insurance should be at the center of the safety net of the future, with stronger risk management products available for all producers, regardless of crop or geographic region, along with greater availability of insurance products that protect against changes in the cost of production, and that insurance that covers only catastrophic losses not qualify for federal disaster program eligibility; and

BE IT FURTHER RESOLVED that farm bill programs should maintain the ability to effectively and efficiently help agriculture provide natural resource conservation and renewable energy benefits.