

Fairness in Farm and Food Policy Amendment

This week, the House will be asked to extend a Farm Bill that will funnel billions of dollars in taxpayers' money to the same narrow group of the largest subsidized farms in a handful of House districts. It is a bill that will continue to do too little to feed the hungry, help the environment, promote healthy food choices, reduce the deficit, or comply with our international obligations. If passed, more than half of all farm spending would continue to flow to just 20 congressional districts for the next five years.

The Fairness in Farm and Food Policy Amendment will have bipartisan support and will take the first steps to put America on a new course. It will provide a more reliable safety net for America's family farmers at less cost to the taxpayer. It will reflect the priorities of a new America by providing new resources to address our country's hunger, health, environmental and fiscal priorities. It would provide risk management tools as modern and entrepreneurial as our farmers.

Key reforms include:

- **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 limit annual subsidies to \$250,000 per person.
- **Reform Crop Insurance**—Reforms our government-subsidized crop insurance program to fairly share the costs and risks of this program with crop insurance agents and companies. Savings: \$2 billion over five years.
- **Gradually Reduce Automatic Direct Payments**—Gradually reduces direct payments, which were created to wean farmers off subsidies in 1996 but which have 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.

The preliminary outline of where spending will occur over 5 years is provided below, describing what the House Agriculture Committee provided and likely increases in this amendment.

	5-year total budget and policy changes	
	HR 2419	Fairness Amendment
CONSERVATION		
Conservation Security Program	2012 enrollment open	2009 enrollment open
Grasslands Reserve Program	\$240 million	\$778 million
Chesapeake Bay Program for Nutrient Reduction and Sediment Control	\$150 million	\$300 million
Community Forests and Open Space Conservation Program	\$0	\$50 million
Environmental Quality Incentives Program	\$8.6 billion	\$9.295 billion
Wildlife Habitat Incentives Program	\$425 million	\$625 million
Healthy Forests Reserve Program	\$85 million	\$205 million
TRADE		
McGovern Dole International Food Program	as appropriated	\$1.1 billion
NUTRITION		
Food Stamp Program		
-raises Standard Deduction in 2008 and then indexed to inflation	\$2.265 billion (raises to \$145 in 2008)	\$3.9 billion (raises to \$156 in 2008)
-Minimum monthly benefit indexed to Thrifty Food Plan	\$243 million	\$243 million
-Eliminates cap on dependent care deduction	\$249 million	\$249 million
-Retirement/education accounts not counted as income resources	\$572 million	\$572 million
-Indexes resource limits	\$60 million	\$60 million
-Combat pay exclusion	\$3 million	\$3 million
		(continued on back page)

5-year total budget and policy changes

NUTRITION (continued)	HR 2419	Fairness Amendment
Hunger-Free Communities Act	\$0	\$250 authorized
Mandatory funding for TEFAP increased to \$250 million for FY08 and indexed for inflation thereafter	\$606 million	\$606 million
Commodity Supplemental Food Program	authorized through 2012	authorized through 2012
HEALTHY FOODS AND SPECIALTY CROPS		
Community Food Projects	\$150 million authorized	\$150 million
School Fresh Fruit and Vegetable Program	\$305 million	\$455 million
Seniors Farmers Market Nutrition Program	\$75 million	\$225 million
Fruit and Vegetable Nutrition Promotion Program	\$0	\$75 million
Community Supported Agriculture Program	\$0	\$255 million authorized
Farmers Market Promotion Program	\$35 million	\$100 million
Specialty crop block grants	\$265 million	\$515 million
Organic Transition and Technical and Educational Assistance	\$0	\$50 million authorized
National Organic Certification Cost Share Program	\$110 million	\$125 million
Specialty Crop Research	\$500 million authorized	\$500 million mandatory
Organic Research	\$125 million authorized	\$125 million mandatory
RURAL DEVELOPMENT		
Rural Entrepreneur and Microenterprise Assistance Program	\$100 million	\$200 million
Value-Added Market Development Program	\$150 million	\$250 million
-% reserved for beginning and socially disadvantaged producers	10%	15%
ENERGY		
Renewable Fuels Certification Program	no	yes
CROP INSURANCE		
Crop insurance underwriting gains	no change	30% returned to FCIC
Crop Insurance Administration and Operation subsidy	22.5% of premium	15% of premium
SOCIALLY DISADVANTAGED AND BEGINNING PRODUCERS		
1890 Institutions included in additional research beyond Nutrition Education Program	no	yes
Moratorium on new foreclosures and loan accelerations	no	yes
Socially Disadvantaged Producers Access Program	\$75 million	\$400 million
-set aside for beginning OR socially disadvantaged producers	10%	15%
Pesticides Recordkeeping	\$0	\$22.5 million authorized
Outreach and Technical Assistance	\$75 million	\$175 million
Socially Disadvantaged Farmers and Ranchers Moratorium Commission	no	yes
DEFICIT REDUCTION		
Savings for taxpayers	\$0	\$2 billion