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October 30, 2007 Action Alert #13

***URGE SENATORS ROBERTS AND BROWNBACK
TO SUPPORT THE DORGAN-GRASSLEY PAYMENT
LIMITATIONS AMENDMENT ON THE SENATE FLOOR***

This is the final push for reform in commodity payment programs. The full Senate is scheduled to vote on the Farm Bill the week of November 5, marking the farm bill debate's final stages and the last chance to institute real reform before the bill moves to the Conference Committee.

Like the widely denounced House bill payment limit provision, the Senate Committee bill maintains the current waste, fraud, and abuse approach to commodity payment limitations that leads to mega-payments, farm consolidation, and the slow demise of family-scale agriculture. It also soaks up precious resources that then cannot be spent on key programs that are short-funded by the bill.

Real reform and support for unfunded sustainable agriculture priorities must now be made in the form of a Senate floor amendment introduced by Senators Byron Dorgan (D-ND) and Chuck Grassley (R-IA). The Dorgan-Grassley amendment will put a hard cap of \$250,000 on commodity payments, close loopholes, and shift the savings to rural development, beginning and minority farmer, conservation, nutrition, and anti-hunger programs. It will be the major floor amendment on the Farm Bill, and the vote count is expected to be very, very close. Every single vote will count. And the majority of Kansas farmers will be unaffected by the proposed cap!

PLEASE CALL YOUR SENATORS TODAY

The message is simple: "I am a constituent and am calling to ask that Senator ROBERTS (OR BROWNBACK) vote YES on the Dorgan-Grassley payment limits amendment on the floor of the U.S. Senate during the Farm Bill deliberations. The amendment supports family farmers and also funds important beginning and minority farmer, rural development, conservation, nutrition, and anti-hunger priorities. How will the Senator vote on this defining amendment for the 2007 Farm Bill?"

It's easy to call!

SENATOR PAT ROBERTS

Agricultural Aide - Joel Leftwich
202-224-4774
FAX 202-224-3514

SENATOR SAM BROWNBACK

Agricultural Aide - Riley Scott
202-224-6521
FAX 202-228-1265

When you call the office ask for their legislative aide that works on agriculture. If the aide is unavailable, leave a short message of support for the Dorgan-Grassley amendment, along with your name and phone number, on the aide's voice mail or with the receptionist.

If you prefer to write, fax a brief letter of support, addressed to the Senator, and remember to include your name and address and contact information.

Background:

In recent years, many of the original goals of commodity programs have been abandoned and replaced with production subsidies that encourage overproduction and often low prices. Negative consequences of these policies include farm consolidation and the disappearance of mid-sized family farms, land prices rising well beyond market levels, reduced farming opportunities for a new generation of farmers, and the growth of industrial animal feeding facilities. While a variety of reforms are needed to reduce or eliminate the negative impacts of current commodity programs, the very effective first step Congress could take in the 2007 Farm Bill is to cap subsidies to mega farms through the Dorgan-Grassley Farm Program Payment Limitation Reform Amendment.

The Dorgan-Grassley Farm Program Payment Limitation Reform Amendment would: Limit annual per farm commodity subsidy payments to \$250,000. The amendment would establish effective caps of \$40,000 on direct (fixed) payments, \$60,000 on counter cyclical (and crop revenue) payments, and \$150,000 on loan deficiency payments and marketing loan gains, including gains on generic certificates and forfeited commodities. The combined limit would be \$250,000.

Close loopholes. No longer would farmers be able to use generic commodity certificates or forfeitures to the government to evade the limits. Those limitation-avoidance mechanisms would now count against the limits. All payments would count toward an individual's limit, whether received directly or through a corporation or other type of entity. All beneficial interests in an entity would be subject to payment limitations, making it far more difficult to create "paper" farms for the purposes of exceeding the limits.

Ensure that payments flow to working farmers. Current law attempts to target payments to working farmers, but fails miserably in doing so. The amendment improves the "measurable standard" by which USDA determines who should and should not receive farm payments. It requires that management be personally provided on a regular, substantial, and continuous basis through direct supervision and direction of farming activities and labor and on-site services. The combined labor and management standard is 1,000 hours annually or 50% of the commensurate share of the required

labor and management. Landowners who share rent land to an actively-engaged producer remain exempt from the “actively engaged” rules provided their payments are commensurate to their risk in the crop produced.

Re-invest in high priority programs. Savings from the amendment are re-invested in programs to support minority and beginning farmers, rural economic development, conservation, and nutrition and anti-hunger efforts, programs which received no funding or insufficient funding in the bill reported by the Senate Agriculture Committee.

Thank you for making your calls! You can see additional coverage of farm bill debate at the Sustainable Agriculture Coalition website at:

<http://www.sustainableagriculturecoalition.org>

or the Kansas Rural Center website at:

<http://www.kansasruralcenter.org/policy>

For Further Information, or to sign up for KRC Action Alerts, contact:

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