

June 26, 2018

Dear Senator _____:

We urge your support for the payment limitation and actively engaged in farming amendment to be offered by Senator Grassley. This amendment would restore common-sense rules and fiscal integrity to the commodity program by placing a hard cap on total commodity benefits per year for any one farm. The amendment properly targets our safety net programs to ensure a degree of price and income protection to farmers while eliminating the current loopholes that allow some to collect millions of dollars in benefits and shut out young and beginning farmers from the land market.

Under the amendment, the annual per-farm cap on payments would be \$125,000 (\$250,000 per married couple). Unlike current law and the bill as reported by Committee that preserves the status quo, this would be a real cap. Existing loopholes in the law allow single farms to multiply the number of payment limits by multiple factors, allowing in some cases million dollar annual payments. By closing off these loopholes, the amendment would prevent the program from being exploited by adding large numbers of non-farm investors to a farming operation to qualify it for countless payment limits.

Savings from this common sense reform would serve a dual purpose, reducing the deficit as well as investing in important food assistance and rural programs. In addition to reducing the overall cost of the bill, the amendment would increase funding for The Emergency Food Assistance Program (TEFAP) and the Dairy Donation Program by a combined \$75 million while also providing \$25 million for the Rural Energy for America Program (REAP) and \$10 million for the Rural Microentrepreneur Assistance Program (RMAP). Thus, in addition to stopping the abuse of our farm safety net programs, the amendment would also further the important objectives of meeting emergency food needs and growing the rural economy.

We urge your support for this important reform amendment. It is good for family farms, good for young and beginning farmers, good for rural communities, and good for restoring a positive public image for farm programs.

Sincerely,

Agriculture Energy Coalition
Center for Rural Affairs
Dakota Rural Action
Farm Aid
Illinois Stewardship Alliance
Kansas Rural Center
Land Stewardship Project
Michael Fields Agricultural Institute
National Family Farm Coalition
National Farmers Union
National Grange
National Sustainable Agriculture Coalition
National Young Farmers Coalition
Rural Advancement Fund International-USA
Rural Coalition