

March 16, 2010

The Honorable Kent Conrad
Chairman
Senate Committee on the Budget
624 Senate Dirksen Building
Washington, DC 20510

The Honorable Judd Gregg
Ranking Member
Senate Committee on the Budget
624 Senate Dirksen Building
Washington, DC 20510

Dear Chairman Conrad and Senator Gregg:

As Congress begins consideration of the 2011 budget, we write to express our opposition to the President's proposed cuts to the farm safety net.

While we agree that reducing the deficit is necessary, we do not believe America's farmers and ranchers should have to bear a disproportionate burden of the cuts. Notably, the farm safety net cuts included in the President's budget appear to be proposed not for the purpose of deficit reduction but, rather, to offset the cost of spending increases contained elsewhere in the USDA budget. All told, the President's budget proposal for USDA actually *increases* total outlays by more than \$4 billion.

The budget cuts to the farm safety net also appear to disregard the fact that the 2008 farm bill, which contains the farm safety net provisions cut in the President's budget, was fiscally-responsible and completely offset so as not to add to our country's deficit. In fact, these provisions were already cut by \$7.4 billion in 2008, the only core provisions to experience a cut, bringing their share of the total federal budget down to less than one quarter of one percent and just 17% of the USDA budget. Yet the President's budget proposal breaks a five year commitment made to America's farmers and ranchers by seeking to further cut the farm safety net.

The payment eligibility requirements for the farm safety net were debated extensively during the two years of debate on the farm bill, and the commitments in the 2008 Farm Bill represent a contract with America's farmers and ranchers. Producers have made business decisions based on this contract with the government, and to break these commitments would be destabilizing to a rural economy that is already impacted by this country's severe recession and credit crisis.

The President's budget also proposes billions of dollars in cuts to the federal crop insurance program through the Standard Reinsurance Agreement (SRA). We believe it is important to note that the federal crop insurance program sustained cuts in the 2008 Farm Bill. Congress debated and rejected additional cuts to crop insurance during consideration of the last budget resolution.

In sum, we urge you to consider the substantial contributions the farm safety net has already made toward deficit reduction and to maintain the five-year commitments made to America's hard-working farm and ranch families for the 2011 budget year.

Sincerely,

American Association of Crop Insurers
American Farm Bureau Federation
American Sheep Industry Association
American Society of Farm Managers and Rural Appraisers
American Soybean Association
American Sugar Alliance
CoBank
Cotton Warehouse Association of America
Crop Insurance Professionals Association
Crop Insurance Research Bureau
Farm Credit Council
Independent Community Bankers of America
Independent Insurance Agents and Brokers of America
National Association of Crop Insurance Agents
National Association of Wheat Growers
National Barley Growers Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Farmers Union
National Sorghum Producers
National Sunflower Association
North Carolina Peanut Growers Association
Peanut Growers Cooperative Marketing Association
Rain and Hail, LLC
Rural Community Insurance Services
Southern Peanut Farmers Federation
Southwest Council of Agribusiness
US Canola Association
US Rice Producers Association
USA Dry Pea and Lentil Council
USA Rice Federation
United Dairymen of Arizona
Virginia Peanut Growers Association
Western Peanut Growers Association

cc: Senator Blanche Lincoln, Chairman, Senate Agriculture, Nutrition, and Forestry Committee
Senator Saxby Chambliss, Ranking Member, Senate Agriculture, Nutrition, and Forestry
Committee