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December 6, 2007

Dear Senator:

On behalf of our farmer members across the United States, the National Association of Wheat Growers (NAWG) renews our urgent request for the Senate to act on H.R. 2419 (the farm bill) at the earliest opportunity. We also signed onto a group letter urging the same action, but there are specific issues unique to wheat that compel us to write a second, separate letter.

Delays in addressing this important legislation are already having detrimental impacts in farm country. For example:

- While prices for many commodities have significantly improved from their levels in 2002, prices for major inputs of fuel and fertilizer have *tripled* over the same period. The increases in commodity prices have been eroded by higher prices for inputs, and the advanced direct payments that have been critical components of early season farm cash flows are not available without a new farm bill.
- Producers who lost their crops to weather problems are facing the higher inputs costs without the benefit of higher commodity prices since they lost a significant share of their production.
- Winter wheat growers as well as producers in early planting areas have already written their budgets and planted their crops without a safety net program. Other crops will soon begin planting and be in the same cash flow squeeze.
- Thus far, both the Senate and the House have recognized the importance of maintaining direct payments. Direct payments are particularly important to many farmers because of their constant support through weather problems and the program's classification as Green Box at the World Trade Organization. The longer these delays play out, the greater the risk that funding in this least-distorting pillar of our commodity program will be in jeopardy.
- Many agricultural organizations have been steadfast supporters of free trade, including the recent trade promotion agreement with Peru. But failure to enact a farm bill is impacting the ability of Foreign Market Development (FMD) cooperators like U.S. Wheat Associates to keep their overseas offices open for business. Even with some flexibility to allocate Market Access Program funds toward FMD expenses, funds will run out in January if something isn't done. And the failure to apportion GSM program funds has resulted in lost exports. OMB acknowledges that USDA has the authority to continue these programs but they are not funded without an apportionment from OMB, which it refuses to do despite repeated requests. Accordingly, we request that the next Continuing Resolution mandate apportionment for FMD and GSM programs. It would be the height of irony if a sector that strongly supported the Peru

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agreement had to close its market development efforts or lose experienced people in Peru and elsewhere because the Senate cannot agree to pass a farm bill.

Should current delays extend into 2008 or a short-term extension be passed, a serious baseline problem will arise for writing the legislation. The difficult balancing act done by Agriculture Committees in both chambers of Congress will become much harder if the bill is forced to fit into a revised baseline.

We understand that there are concerns on both sides of the aisle that have prevented a consent agreement or consideration of the bill under regular order. We urge you and your colleagues in the strongest possible terms to find a way forward to pass new farm legislation before the Christmas holiday break so a conference committee can begin its work.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John C. Thamer". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

John C. Thamer  
President