Top Ten Major Problems With The House Farm Bill

On August 2, the House Agriculture Committee reported H.R. 2646, its proposal for re-authorization of the Farm Bill. Unfortunately, this bill disappoints a diverse coalition of family farm, sustainable agriculture, conservation and sportsmen's groups who have been working to ensure that the next Farm Bill increases prices for farmers, creates stewardship incentives for farmers, restores competitive markets and improves the lives of rural Americans.

Close examination of the provisions in H.R. 2646 reveals the following glaring problems. These must be corrected before passage of the bill if farm policy is to benefit rural America and the general public.

1. **H.R. 2646 fails to improve prices for farmers.** The current structure of commodity payments has caused overproduction, driven commodity prices to historic lows, helped large farmers put their neighbors out of business, and cost taxpayers billions of dollars in emergency assistance. The next farm bill can break this cycle by establishing farmer-owned commodity storage and other programs that allow farmers some measure of market control. H.R. 2646 ignores these possibilities; instead, it continues a convoluted system of fixed-decoupled and counter-cyclical payments which virtually assures that the low prices and massive taxpayer assistance to commodity growers will continue indefinitely.

2. **H.R. 2646 continues massive subsidies to large farms.** The current system of commodity payments is terribly skewed, with the majority of producers receiving little or nothing, while large farmers collect enormous subsidies, which often provide them with a cash stream to buy out their neighbors. The next farm bill could end this practice and free up money for conservation programs by putting limits on payments to individual producers or targeting payments to those who need them. H.R. 2646, however, moves in the opposite direction by creating new categories for limitations, so that large farmers would be able to divide their payments among a series of categories – thus receiving much more money before reaching any limit. The bill also removes the "actively engaged rule," potentially allowing non-farming landholders to cash in on subsidies that should be going to active producers.

3. **H.R. 2646 does nothing to stem the trends of concentration and anti-competitive practices.** Concentration and vertical integration allow corporations to fix prices for commodities and inputs, giving them tremendous power over the prices that farmers receive and the nature and quality of America's food. H.R. 2646 cannot be considered complete until it includes a Competition & Concentration Title that vigorously enforces anti-trust law, addresses price discrimination and transparency, prevents conflict of interest situations, places a moratorium on mergers and acquisitions in agribusiness, food processing and retailing, and reforms contract procedures between livestock growers and processors.

4. **H.R. 2646 guts wetlands protection.** H.R. 2646 adds only 150,000 acres per year to the Wetlands Reserve Program, which means it would take five years just to address the current demand. Moreover, H.R. 2646 removes important provisions of the WRP program, such as the priority for permanent easements, the prohibition against pesticide application, and the requirement of U.S. Fish and Wildlife Service involvement in restoration plans. Even worse, H.R. 2646 guts the Swampbuster prohibition on cropping wetlands by allowing farmers to enroll in assistance programs even if they drain wetlands.

5. **H.R. 2646 transforms EQIP into a subsidy for concentrated animal feeding operations (CAFOs).** While H.R. 2646 significantly raises funding for EQIP, it removes watershed prioritization, excludes wildlife habitat from its list of defined purposes, shortens the contract period, and potentially directs enormous amounts of money to livestock operations, including subsidizing flawed manure handling technologies for large CAFOs. H.R. 2646 also takes administration of EQIP from NRCS and gives it to FSA, whose technical ability to handle a stewardship incentives program is untested.

6. **H.R. 2646 weakens the Conservation Reserve Program.** CRP has been credited with the rebounding of waterfowl and grassland bird species in the midwest. H.R. 2646 would weaken the effectiveness of CRP by allowing haying and grazing on CRP lands, even during bird nesting season. The bill also effectively eliminates the Environmental Benefits Index method of implementing CRP where it is needed most.

Furthermore, the 10-year enrollment cap of 39.2 million acres will not come anywhere near to meeting the demand for this program.

7. **H.R. 2646 waters down overarching conservation principles.** The Environmental Conservation Acreage Reserve Program contains guiding principles for many of the Farm Bill Conservation Programs. Language in H.R. 2646 will weaken these programs' ability to address critical conservation needs and conservation priority areas. Language in the bill also would eliminate NRCS management of almost all major conservation programs.

8. **H.R. 2646 severely limits conservation technical assistance.** H.R. 2646 caps technical assistance funding at $100 million per year will severely hamper the ability of agencies and third parties to deliver the research, education and technical assistance that are critical to the proper functioning of farm programs.

9. **H.R. 2646 rewards bad forestry practices.** The forestry provisions in H.R. 2646 contain forest stewardship contracting authorities that allow the Forest Service to perform almost unlimited logging to pay for other forest management goals and to log indiscriminately in the name of "hazardous fuel reduction" and "biomass energy." These proposals evidently ignore the fact that logging can increase fire threat by opening the canopy – creating even hotter, drier conditions – and increasing the amount of dead, downed wood available to fuel wildfires.

10. **H.R. 2646 fails thousands of farmers who rely on direct lending programs.** H.R. 2646 phases out the USDA's direct lending programs, except for those for beginning and minority farmers. This could end the farming careers of thousands of producers who rely on these loans because they have no other credit options.

H.R. 2646 was reported out of committee after only 15 hours of debate and contains many provisions that are bad for farmers, bad for the environment, and bad for taxpayers. Please don't allow the full House of Representatives to hastily approve this bill until it is improved in the areas described above.

ACCORD Ag., Inc.
Alliance for a Chemical Free Environment
Alliance for Sustainable Communities
American Bottom Conservancy
American Lands
Gregory J. Buck
California Wilderness Coalition
C.A.S.A. del Llano
Thomas J. Classen
Defenders of Wildlife
Endangered Habitats League
Episcopal Environmental Network, Province IV
Florida Certified Organic Growers and Consumers, Inc.
GRACE Public Fund
Institute for Environment and Agriculture
Kettle Range Conservation Group
Lewis & Clark Wildlife Club
The Lumpkin Foundation
Ohio Family Farm Coalition
The Promised Land Network
Sisters of the Holy Names – CA Justice and Peace Committee
Viola Toniolo
Valencia Soil and Water Conservation District

Alternatives to the provisions in H.R. 2646 are presented in *Addressing the Crisis in Rural America: Farm Policy Problems and Farm Bill Solutions.* This publication, which includes input from a broad coalition of family farm, conservation, sportsmen's, labor and rural advocates, provides the framework for a Farm Bill that is good for farmers, good for the environment, and good for taxpayers.