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July 12, 2013

An Open Letter to the House of Representatives: Farm Bill is Bad Process, Worse Policy

Dear Representative,

On behalf of the R Street Institute, I write today to urge your opposition to H.R. 2642, the Federal Agriculture Reform and Risk Management Act (FARRM Act). Better known as the “Farm Bill,” this flawed and expensive legislation comes before the chamber after being separated from the nutrition assistance provisions. However, rather than utilizing this clean slate as an opportunity to secure long-overdue reforms to farm subsidies, this bill is being shielded from any amendment that could trim its cost or improve its operation.

As a free market think tank that seeks lower costs for taxpayers, more accountability, and fewer incentives to damage the environment, R Street is appalled by this legislation and the process by which it is being advanced. This legislation’s purported agriculture savings amount to \$1 billion less than those found in the Senate’s farm programs. They amount to \$18 billion less than proposed in the Ryan budget which passed with the nearly unanimous support of 221 Republicans. They even fall short of the agriculture subsidy reductions included in President Obama’s budget request by \$25 billion. Furthermore, \$7 of every \$10 in claimed savings occurs *after* a new farm bill will presumably have passed.

In addition, the bill contains enormous structural problems. Its expanded crop insurance program includes no limits or caps whatsoever, allowing wealthy agribusinesses to rake in billions in subsidies. The “reference prices” for commodity crops are set at near-record highs, thus ensuring that even modest drops from current peaks will trigger huge payments. Common sense provisions like conservation compliance are not attached to crop insurance to prevent taxpayers from subsidizing farming on risky or sensitive lands. Distortionary subsidies and restrictions for both sugar and dairy products remain. All of this in a package that effectively makes its expensive commodity title into permanent law.

The House should be allowed to debate and modify these provisions, but the rushed process has shut off any such possibility. The result of this bad process is that the chamber has before it a bloated bill that is unworthy of the conservative principles that we share with House leaders.

We urge all Members to oppose H.R. 2642, the FARRM Act, and instead work to craft a credible reform package that heeds the bipartisan consensus to trim agriculture subsidies once and for all.

Sincerely,

A handwritten signature in black ink that reads 'Andrew Moylan'.

Andrew Moylan
Senior Fellow and Outreach Director
R Street Institute