



April 24, 2017

Dear Representative/Senator,

On behalf of the millions of Americans represented by the undersigned organizations, we write urging you to oppose efforts to hijack the fiscal year 2017 appropriations process to increase taxpayer spending by padding the bottom lines of certain agricultural businesses. We are most concerned with special interest attempts to preempt the 2018 farm bill process to secure billions of additional federal tax dollars for cotton producers by making them eligible for Title 1 farm bill income subsidy programs.

Agricultural businesses producing cotton already benefit from an overly generous taxpayer-backed financial safety net. According to USDA, 96 percent of cotton acreage is covered by federally subsidized crop insurance. The 2014 farm bill created the Stacked Income Protection program (STAX), exclusive to cotton producers, in which taxpayers cover 80 percent of the cost for policies protecting against so-called “shallow losses” that are too small to trigger crop insurance payouts. Federally subsidized marketing loans, trade promotion programs, economic assistance to mills, and \$328 million in un-budgeted ginning cost share subsidies just last year, are amongst the many ways taxpayers are forced to subsidize the cotton sector.

Finally, using the 2017 appropriations process to further bailout the cotton sector may re-open costly trade disputes. The 2014 farm bill removed cotton as an eligible commodity for Title 1 farm bill income subsidy programs in order to resolve a long-standing World Trade Organization dispute with Brazil that has already cost taxpayers more than \$800 million. Reneging on our agreement with Brazil by making cotton an eligible commodity under the Title 1 Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs could subject United States consumers and manufacturers to billions of dollars in retaliatory trade measures to industries other than agriculture.

We believe that it is long overdue to place faith in American farmers and treat them with the respect they deserve as sophisticated and innovative business leaders. Congress must not use the fiscal year 2017 appropriations process to surreptitiously direct billions of additional dollars to select special interests. Rather we should use the 2018 farm bill process, already well-underway, to ensure America’s agricultural businesses have the opportunity to adjust to economic realities by eliminating unnecessary and complicated federal policies that manipulate market decisions in this critical and vibrant component of our economy.

Sincerely,

American Commitment
Americans for Prosperity
Campaign for Liberty
Council for Citizens Against Government Waste
Heritage Action for America

National Taxpayers Union
R Street Institute
Taxpayers for Common Sense
Taxpayers Protection Alliance