

June 27, 2018



Dear Senator,

On behalf of the undersigned free-market and conservative organizations and the millions of members we represent, we urge you to support commonsense reforms to the farm subsidy system in the Senate farm bill.



As written, the Senate farm bill does nothing to rein in the corporate welfare and waste rife in our farm-support system. With our nation's debt at \$21 trillion and annual deficits exceeding \$1 trillion on the horizon, we cannot afford to continue such egregious policy.



A number of commonsense reform amendments have been drafted that would make the farm bill's crop insurance and commodity titles more fiscally responsible, equitable and accountable to taxpayers. These include:



- **Reducing crop insurance subsidies for farmers with Adjusted Gross Incomes above \$700,000.** This amendment, which passed the Senate twice during the last farm bill cycle, would reduce by 15 percent the level of crop insurance premium subsidies for participants with an AGI above \$700,000 (or \$1.4 million for married couples). The wealthiest and most successful farm operations can afford to put more skin in the game when it comes to purchasing crop insurance. Data from the Congressional Budget Office, Government Accountability Office, and agricultural economists has shown that this would not cause farmers to exit the program and it would not affect the actuarial soundness of the program. It would, however, start to put a scope around the program and direct taxpayer dollars towards farms that most need them.



- **Establishing a uniform payment limit for crop insurance subsidies.** In 2014, Congress applied a \$125,000 payment limit to the amount of commodity subsidies a farm can receive. However, crop insurance premium subsidies are unlimited, which means that some farms receive more than a million dollars in subsidies each year. This same \$125,000 payment limit should be extended to premium subsidies in the



federal crop insurance program. According to data from the Government Accountability Office, this cap would affect far less than one percent of farmers.

- **Lifting the prohibition on farmers purchasing crop insurance online.** Current law prevents crop insurance companies participating in the federal crop insurance program from selling policies directly to farmers and ranchers. This amendment provides insurance companies within the program the opportunity to sell and service federal crop insurance policies online if they can document doing so will reduce delivery costs. This amendment also would require these savings be passed on to farmers and ranchers through reduced premiums.

There are many more reforms needed to fix our broken farm safety net, but together, these reforms represent a small, fiscally-responsible step in the right direction.

With farm bill reauthorization occurring just once every five years, the United States cannot afford a missed opportunity for tightening our farm-support programs putting taxpayer protections in place. As the Senate debates the 2018 farm bill, we urge all members to vote “yes” on crucial subsidy reform amendments to set the foundation for more responsible farm policy.

Sincerely,

R Street Institute
Americans for Prosperity
Campaign for Liberty
Coalition to Reduce Spending
Council for Citizens Against Government Waste
FreedomWorks
Heritage Action
National Taxpayers Union
Taxpayers for Common Sense
Taxpayers Protection Alliance