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ALLIANCE



May 1, 2023

The Honorable Debbie Stabenow
328A Senate Russell Office Building
Washington, D.C. 20510

The Honorable John Boozman
555 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairwoman Stabenow and Ranking Member Boozman,

We urge you to reject proposals to increase reference prices for covered commodities.

At a time when net farm income is well above historic norms, Congress should not be increasing farm subsidies. Many farm groups have sought to increase the price guarantees for commodity subsidies – even though farmers producing these crops have been earning historically high prices in the market. Most farmers are not eligible for these price guarantees because they raise livestock or crops that are not covered commodities, including fruits and vegetables, so increasing these subsidies would not help most farmers.

Increasing price guarantees for covered commodities would only boost federal payments to the largest and most successful farmers, who already received almost [66 percent](#) of all commodity subsidies in 2021, and [almost 60 percent](#) of all crop insurance subsidies between 2012 and 2020. Though first authorized as a safety net to protect farmers against declines in prices, more than 20,000 of these farmers have received commodity subsidies for [37 straight years](#).

Overall, net farm income [set records](#) in 2021 and is expected to remain high, according to [USDA](#). While some farm groups cite rising input and land costs in support of these proposals, gross farm income has outpaced and will likely continue to [outpace](#) the cost of farm production. [Farm bankruptcies](#) have recently fallen to their lowest level in recent memory.

Proposals to increase commodity subsidies come despite [record ad-hoc farm spending](#) through two programs, the Market Facilitation Program (MFP) and the Coronavirus Food Assistance Program (CFAP). The [MFP](#) paid \$23.2 billion for crop years 2018 and 2019 to compensate farmers for losses driven by tariffs China placed on agricultural imports from the U.S. in

retaliation for the Trump Administration's trade war. The [CFAP](#) paid \$30.8 billion for two rounds of funding in 2020 and 2021.

In combination, the MFP and CFAP outlays caused total federal farm spending to soar, from \$16.2 billion in [2017](#) to \$44.1 billion in [2020](#), a record level. In 2020, taxpayer dollars made up nearly half of total farm net income, according to the [USDA](#).

In the wake of record levels of net farm income and record farm spending by the federal government, Congress should not increase farm subsidies.

Sincerely,

Council for Citizens Against Government Waste
Environmental Working Group
FreedomWorks
Independent Women's Forum
Land Stewardship Project
National Sustainable Agriculture Coalition
R Street Institute
Rural Coalition
Taxpayers for Common Sense
Taxpayers Protection Alliance
U.S. PIRG

cc:

The Honorable Glenn Thompson, Chair, House Committee on Agriculture
The Honorable David Scott, Ranking Member, House Committee on Agriculture