



August 2, 2018

Dear Conferees,

On behalf of more than 3.2 million Americans for Prosperity activists in all 50 states, I strongly urge your consideration of the attached package of reforms to be included in this committee's conference report for the 2018 Farm Bill. While the House bill included important work requirements to the nutrition side of the bill, both chambers have to this point failed to include the level of reforms necessary to significantly improve both our nation's agriculture *and* nutrition policies.

This conference committee has an important opportunity to improve policy outcomes this year, and we encourage members to seek out and include substantive reforms to both sides of the farm bill. In an era of escalating spending and spiraling deficits, all government programs should be reviewed and scarce taxpayer resources preserved for those who need them the most. This includes the safety net. This conference committee can start its process by adopting the work-requirement reforms included in the House bill that will pave the way for more Americans to return to work. However, the unsustainable fiscal path the nation is on means that we cannot simply add large new benefit programs. Even if they are "paid for," we must reexamine the efficacy of these programs, especially those with unsatisfactory track records such as job training.

Therefore, we strongly urge you to eliminate, or at least reduce, unnecessary subsidies and other harmful programs in the agriculture titles of the farm bill. These subsidies—like every form of corporate welfare—have been proven to distort markets, increase consumer costs, and waste tax dollars. In their current forms, both farm bills fall short on meaningful reforms to our bloated federal farm programs and subsidies, leaving in place the status quo of corporate welfare, government overreach and irresponsible spending.

We urge the conference committee to include the reforms highlighted in the attached addendum in order to improve the bill, along with the important work-requirement reforms highlighted above. The inclusion of this package of reforms is crucial to delivering a farm bill this year that rejects the status quo and instead focuses on right-sizing our nation's agriculture and nutrition policies to respect free markets and American taxpayers.

In the absence of such reforms, we ask that Congress pass a clean, one-year extension to current farm-bill law and use that time to further develop and adopt reforms along these lines that will improve our federal agriculture and nutrition policies. Americans for Prosperity stands with lawmakers who, like us, believe that the best way to transform our federal farm policy is to reduce government interference in the free market, eliminate corporate welfare, and prioritize the taxpayer.

Sincerely,

Brent Gardner
Chief Government Affairs Officer
American for Prosperity



Addendum: Reform Proposals for 2018 Farm Bill

Including the following reforms would be an important first step toward fixing many problems and would greatly improve the overall bill. Each of these proposals is an encouraging step in the right direction for America's farm policy. Together they go a long way toward modernizing the agricultural safety net, minimizing taxpayer risk, and reducing wasteful spending:

- Reduce premium crop insurance subsidies by 15 percent or more, dramatically curbing government overspending.
- Limit crop insurance subsidies to only agriculture producers that have an adjusted gross income of \$500,000 or less, preserving scarce resources to those who need them more.
- Limit commodity subsidies to only those agriculture producers that have an adjusted gross income of \$500,000 or less, preserving scarce resources to those who need them more.
- Eliminate the Harvest Price Option (HPO) subsidy, which has previously allowed farmers to profit from what was intended as a safety net.
- Lower the target rate of return that is guaranteed to private crop insurance companies to 12 percent, helping to reduce corporate welfare.
- Cap the overall amount of funds available to ARC and PLC, helping to rein in government overspending.
- Limit eligibility for commodity subsidies to only actively engaged farmers with one farm manager per farm, closing the loophole that allowed for maximizing a farm's subsidies.
- Lift certain restrictions on the domestic production and sale of refined sugar, reduce taxpayer liability on USDA loan forfeitures, and reform the burdensome restrictions on imports thereby reducing government micromanagement of the market.
- Allow for the public disclosure of crop insurance subsidy recipients and the subsidies they received, adding much-needed transparency to the program.
- Repeal broad-based categorical eligibility that seeks to expand government-funded welfare programs when they ought to be reformed.
- Repeal bioenergy subsidy programs that have no place in any farm bill.
- Repeal the Clean Water Rule and define "navigable waters" under the Clean Water Act in a manner that preserves and protects States' rights to plan the development and use of land and water resources within their borders, and provide an expedited process for jurisdictional determination for wetlands.