

July 13, 2007

The Honorable Collin Peterson
Chairman
U.S. House Agriculture Committee
2211 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Robert Goodlatte
Ranking Member
U.S. House Agriculture Committee
2240 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Peterson and Ranking Member Goodlatte:

As the House Agriculture Committee moves toward completion of its markup on the 2007 Farm Bill, the undersigned organizations strongly urge you to consider changes in the commodity provisions (Title I) that meet the long term needs of our nation's family farmers and ranchers. The Congressional Budget Office projects higher commodity prices and lower subsidy payments for the life of this farm bill. A similar projection was made in 1996 as higher commodity prices spurred Congress to pass Freedom to Farm, which dismantled important policy instruments such as the farmer-owned reserve and an effective price floor through a non-recourse loan.

Based on conditions suffered by farmers and rural communities through the subsequent years of price instability, we call on Congress to re-establish programs that have a history of working for our nation's family farmers. We cannot support an approach to the 2007 Farm Bill which ignores the reality of the past decade.

America needs public policy that helps stabilize commodity prices and availability. This is important for those who purchase grain for feed and for those that raise and sell grain. The program must ensure that crop farmers have the opportunity to receive a price from the marketplace that reflects their costs of production instead of a taxpayer financed subsidy payment. The lack of a strategic grain reserve has become an urgent priority as USDA is predicting the lowest level of world carryover stocks on record since 1947. We are one moderate drought or disaster away from seeing \$10 per bushel corn prices that would destabilize our entire economy; and we have no plan in place to address the possibility.

Family farm and rural organizations urge you to consider establishment of a floor price (at a level that reflects cost of production) for commodities in conjunction with emergency food, crop, acreage, and strategic energy reserves. This would insure farmers against crop disasters, enhance renewable energy security and better meet environmental stewardship goals. Let's form a system based on market price stability, not subsidies. Price floors and reserves enable fairness at the farm gate, not band-aid approaches such as Farmer Savings Accounts or a privatized Revenue Insurance Program both dependent on taxpayer financing to farmers for the short-term with a longer term goal of dismantling any effective role for government in ensuring a safety net for our nation's farmers.

It is time that this Congress re-establishes a system for the government and for farmers to hold reserves; not simply enabling the nation's food and feed stocks to be held by grain traders and exporters. We look

forward to working with you to achieve farm and food policy that meets the needs of our nation's farmers and rural communities while reducing the dependence on taxpayer financed subsidy payments.

Sincerely,

ActionAid USA
Agricultural Missions, Inc
American Agriculture Movement, Inc
American Corn Growers Association
American Federation of Government Employees (AFL-CIO)
American Raw Milk Pricing Producers Association (ARMPPA)
Ashtabula Geauga Lake County Farmers Union (Ohio)
Border Agriculture Workers Project (Texas)
Church World Service
Citizens Action Coalition of Indiana
Community Farm Alliance (Kentucky)
Family Farm Defenders
Farmworker Association of Florida
Federation of Southern Cooperatives
Food First/Institute for Food & Development Policy
Food & Water Watch
Grassroots International
Institute for Agriculture and Trade Policy
International Labor Rights Fund
Intertribal Agriculture Council
Iowa Citizens for Community Improvement
Land Loss Prevention Project (North Carolina)
Land Stewardship Project (Minnesota)
Maryknoll Office of Global Concerns
Missouri Rural Crisis Center
National Catholic Rural Life Conference
National Family Farm Coalition
National Farmers Organization
National Latino Farmers and Ranchers Trade Association
NETWORK: A National Catholic Social Justice Lobby
North American Farm Alliance
Organizacion en California de Lideres Campesinas
Organization for Competitive Markets
Rural Coalition/Coalicion Rural
Western Organization of Resource Councils
World Hunger Year

To reach individual organizations or for more information, please contact: National Family Farm Coalition at (202) 543-5675 or www.nffc.net.

Cc: Members of the House Committee on Agriculture

