

May 14, 2018

Dear Representatives,

On behalf of more than 3.2 million Americans for Prosperity activists in all 50 states, I write in strong support of each of the proposals mentioned below, and urge their inclusion as amendments to H.R. 2, the Agriculture and Nutrition Act of 2018, otherwise known as the 2018 Farm Bill.

As you begin full consideration of H.R. 2, we urge members to use this opportunity to reform and 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 its current form, H.R. 2 lacks any meaningful reforms to our myriad federal farm programs and subsidies, leaving in place the status quo of corporate welfare, government overreach and irresponsible spending. Worse, this bill would make some of these programs even more costly and distortionary. Including the following reforms would be an important first step toward fixing many problems and would greatly improve the overall bill.

- No. 10 (Rep. Biggs): To repeal bioenergy subsidy programs that have no place in any farm bill.
- No. 11 (Rep. Estes): To repeal broad-based categorical eligibility that seeks to expand government-funded welfare programs when they ought to be reformed.
- No. 12 (Rep. Burgess): To cap the overall amount of funds available to ARC and PLC, helping to rein in government overspending.
- No. 17 (Rep. Herrera-Beutler): To 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.
- No. 24 (Rep. Sanford): To lower the target rate of return that is guaranteed to private crop insurance companies to 12 percent, helping to reduce corporate welfare.
- No. 32 (Rep. Foxx): To 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.
- <u>No. 33 (Rep. Norman):</u> To reduce premium crop insurance subsidies by 15 percent, dramatically curbing government overspending.
- No. 34 (Rep. Kind): To allow for the public disclosure of crop insurance subsidy recipients and the subsidies they received; this would add much-needed transparency to the program.
- No. 44 (Rep. Duncan): To eliminate the Harvest Price Option (HPO) subsidy, which has previously allowed farmers to profit from what was intended as a safety net.

- No. 51 (Rep. Rothfus): To 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.
- No. 52 (Rep. Rothfus): To 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.
- No. 75 (Rep. Meadows): To 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.
- No. 93 (Rep. McClintock). To phase out farm subsidies over time, reducing government intervention in the agriculture economy and saving the taxpayer billions of dollars.

Each of these proposals is an encouraging step in the right direction for America's farm policy, and they go a long way toward modernizing the agricultural safety net, minimizing taxpayer risk, and reducing wasteful spending.

As debate on the 2018 Farm Bill continues, we urge lawmakers to include these proposals as amendments to improve the bill, and also to include any other amendments that could reform federal agriculture policies to reduce market distortions, corporate welfare, and wasteful spending. The reforms explained here would be a positive beginning in accomplishing exactly that, but much more can be done to improve the overall bill. Americans for Prosperity stands with lawmakers who, like us, believe that the best way to transform our federal farm policy is to eliminate corporate welfare and prioritize the taxpayer.

Sincerely,

Brent Gardner Chief Government Affairs Officer American for Prosperity