

December 11, 2007

The Honorable Tom Harkin
United States Senate
731 Hart Bldg.
Washington, DC 20510
FAX: (202) 224-9369

RE: Please oppose Farm Bill amendment 3821

Dear Senator Harkin:

The undersigned organizations urge you to oppose an amendment to the Farm Bill filed by Senator McConnell that would reverse increases in marketing loan rates for crops that have lost acreage under the 2002 Farm Bill. The amendment would also eliminate provisions that make pulse crops eligible for counter-cyclical payments and the Average Crop Revenue program. Savings from these changes would be diverted to fund programs outside the Commodities Title.

Throughout the farm bill process, we have strongly opposed amendments that would shift funding out of the Commodities Title, including cuts in direct payments and counter-cyclical payments as well as the marketing loan. Title I spending in the Committee bill is already below baseline, and any further reduction will erode support among farmers who depend on these programs.

The McConnell amendment would reverse increases in the marketing loan rates for wheat, barley, oats, and minor oilseeds, including sunflowers and canola. These adjustments correct most of the current imbalances in loan rates between these and other commodities with which they must compete for acres. Improving equity between crops will reduce distortions in planting decisions and in production when market prices at harvest are expected to be near or below loan levels.

Opponents argue that these adjustments will “paint a bulls-eye on the back of the American farmer” in the World Trade Organization, and encourage additional WTO cases to be filed against U.S. farm programs. In actuality, smoothing out inequities between support levels for crops will make the marketing loan program less of a target for trade complaints.

The McConnell amendment maintains the significant reduction approved by the Committee in the loan rate for dry peas, but eliminates provisions that would provide pulse crops with support under the counter-cyclical and the ACR programs. These provisions are intended to offset the loan rate reduction by providing alternative support for these crops. Eliminating them would disadvantage pulse crop producers who must compete with commodities that have broader support under the farm program.

Again, we strongly urge you to oppose the McConnell amendment.

Senator Tom Harkin
December 11, 2007
Page 2

Sincerely yours,

American Farm Bureau Federation
American Soybean Association
American Malting Barley Association
National Association of Wheat Growers
National Barley Growers Association
National Cotton Council
National Farmers Union
National Sorghum Producers
National Sunflower Association
US Canola Association
US Rice Producers Association
USA Dry Pea & Lentil Council
USA Rice Federation