

FOR IMMEDIATE RELEASE

Date: June 14, 2013
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Canola, Corn, Soybean and Sunflower
Growers Press House on Farm Bill

WASHINGTON, D.C. – In a [letter to lawmakers](#) June 13, the U.S. Canola Association, American Soybean Association, National Sunflower Association and National Corn Growers Association urged the House of Representatives to quickly consider and pass H.R. 1947, the Federal Agriculture Reform and Risk Management (FARRM) Act.

“We are very encouraged by the momentum that the farm bill has going into the House and we urge Representatives to act quickly to provide farmers with the certainty we need moving forward,” said American Soybean Association President Danny Murphy, a soybean grower from Canton, Miss. “We are convinced that lawmakers can work together to pass a bill that both supports agriculture and confronts our budgetary obligations responsibly.”

The four farm groups support many of the programs included in H.R. 1947 as reported by the Committee on Agriculture. The bill would consolidate conservation programs, reauthorize and fund agricultural research, energy and export promotion programs, and make improvements in federal crop insurance.

“We strongly support these provisions and ask that you oppose any amendments which would eliminate or weaken them,” the groups wrote.

However, they noted their concern with the bill's Price Loss Coverage (PLC) program option, which would set high, fixed reference prices for program crops that in some cases, exceed their historical prices and cost of production. PLC would also tie payments to crops producers grow in the current year, which could distort planting decisions and production if market prices fall below their support levels.

“There has been a lot of time, effort and investment put into establishing an infrastructure for alternative crops such as canola and sunflowers, and we are very concerned that tying reference prices to current year plantings could negate years of work,” stated U.S. Canola Association Vice President Jeff Scott, a farmer from Pond Creek, Okla.

“When and if prices collapse, farmers will choose the crop with the least risk and highest support price,” added National Sunflower Association President Kevin Capistran, a farmer from Crookston, Minn. “Bottom line, we would prefer to have the markets dictate what gets planted rather than a government support price.”

Since the 1996 Farm Bill, farm policy has provided planting flexibility, encouraging producers to respond to market signals in making their planting decisions rather than to the prospect of receiving government payments, the commodity groups noted.

“We do not want to see policies return to the era of high supports tied to current-year plantings, which distorted crop production in the 1980s,” they said. “The PLC program in the Committee bill should be modified to make it responsive to the market rather than the government.”

The commodity groups spoke to a potential amendment from Rep. Bob Gibbs (R-Ohio) that would address their concerns by setting reference prices at a percentage of recent average market prices, which do not exceed production costs. The Gibbs amendment would also provide for payments on historical crop acreage bases rather than on current-year plantings.

“These changes would make the PLC program more market-oriented and significantly reduce the risk of distorting planting decisions and production,” the groups wrote. “They would also reduce the likelihood of the program violating U.S. commitments under the World Trade Organization. Moreover, they would achieve an estimated \$10 billion in savings in addition to the Committee bill.”

Given that the 2013 Farm Bill passed with strong support in the Senate, the commodity groups are urging the House to swiftly follow suit.

“Passing a comprehensive, market-oriented farm bill is critically important to not only agriculture but to every American,” concluded NCGA President Pam Johnson, a corn farmer from Floyd, Iowa. “We encourage the House to adopt policy that will be both responsive to taxpayers and effective in helping farms remain viable and productive.”

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The [U.S. Canola Association](#) is a non-profit commodity organization whose mission is to increase domestic canola production to meet a growing demand for healthy oil. It promotes the establishment and maintenance of conditions favorable to growing, marketing, processing and using U.S. canola.