



National Association of Wheat Growers

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HARMFUL PAYMENT LIMITATIONS HURT REAL FARM FAMILIES AND RURAL COMMUNITIES

- ✍ **CHANGING PAYMENT LIMITATIONS IN MID-SEASON WOULD BE UNFAIR AND HARMFUL TO FARM FAMILIES AND RURAL COMMUNITIES.** Changing payment limitations in the middle of the season would be economically disruptive and especially unfair and harmful to thousands of farm families, their lenders, and rural communities that have made decisions based on the payment limitations that were fully debated and agreed to in the 2002 Farm Bill.
- ✍ **PRESIDENT BUSH’S ADMINISTRATION SAYS ANY CHANGES TO PAYMENT LIMITATIONS SHOULD BE BASED ON THE COMMISSION’S OFFICIAL FINDINGS OF FACT – NOT ON A WHIM.** A balanced, bipartisan commission comprised of persons with expertise on payment limitations and appointed by the President, the House, and the Senate is charged by law with evaluating the effect of payment limitations on farm family income, lenders, rural communities, land values, planting decisions (e.g. analysis has indicated that harmful payment limits would increase plantings of corn, soybeans, fruits, and vegetables by millions of acres, depressing these crop prices) and rural infrastructure and this commission must make an expert recommendation regarding payment limitations within 1 year based on its official findings.
- ✍ **REAL FARM FAMILIES AND RURAL COMMUNITIES – NOT BIG, CORPORATE AGRIBUSINESS – WOULD BE HURT BY HARMFUL PAYMENT LIMITATIONS.**
 - ✍ **When special interests talk about “big” farmers, look out: they’re talking about full-time farm families in your district trying to make a living off the land.** Special interests use USDA’s definition of a “farmer”, which is anyone who produces a crop valued at \$1,000 or more – the equivalent of a 4-acre corn farm. Obviously, under this broad definition, the percentage of farm families trying to make a living off the land is going to seem small -- and their operation size is going to seem “big” – when compared to the total number of “farmers”.
 - ✍ **When special interests claim there is an unfair distribution of Farm Bill benefits, look out: they’re talking about full-time farm families in your district trying to make a living off the land.**
 - ✍ While 38% of farm families receive 87% of benefits, they also produce 92% of America’s food and fiber; make most, if not all, of their living off the land; and operate farms as small as 372 acres – about the average sized Minnesota farm.
 - ✍ While 62% of farmers, known as “rural residence farmers,” receive 13% of benefits, they produce 8% of America’s food and fiber; many have little dependence, if any, on the

farm for income; often see their farms as a way to enjoy rural living rather than as a means to making a living.

- ✍ A Farm Bill benefit is NOT the same as net income and a benefit that may seem large to non-farmers hardly means that the farm family receiving the benefit is rich. In fact, farm families who receive Farm Bill benefits can and often do finish the year in the red because production and/or prices are bad. To put the benefit that farmers receive in better perspective, consider what they have to lose: American farm families often borrow more money every year than most Americans borrow in an entire lifetime. Using the flawed logic of special interests, one could say that a family in town with \$30,000 in annual take-home pay is rich because the family “made” \$100,000 in one year – the year they lost their house to a fire and received their take-home pay of \$30,000 plus a \$70,000 insurance indemnity.

✍ **U.S. farm policy should help every farm family because every farm family in America feels the sting of:**

- ✍ 5 straight years of record low prices for many crops, resulting in the lowest real net cash income since the Great Depression.
- ✍ Record high costs of production, with 2002 expected to set an all-time record.
- ✍ Foreign tariffs averaging 62% -- more than 5 times higher than the average U.S. imposed tariff of 12%.
- ✍ Foreign subsidies more than 6 times higher than help to U.S. farmers -- \$309 per acre for European Union farmers compared to \$49 per acre for U.S. farmers.
- ✍ The strength of the U.S. dollar, which is 36% higher than the currencies of U.S. customers and 44% higher than the currencies of U.S. competitors.

✍ **HARMFUL PAYMENT LIMITATIONS UNDERMINE U.S. FARM POLICY AND THE NATIONAL SECURITY AND ECONOMIC POLICY IT PROMOTES.** All farm families receive help from the Farm Bill because U.S. farm policy is NOT a welfare or social engineering program. America’s farmers work and work hard. As President Bush and many Presidents before him have noted, U.S. farm policy is a national security and economic policy dedicated to strengthening a sector of the U.S. economy that ensures Americans with the safest, most abundant, and most affordable food supply in the world while creating 25 million jobs, producing \$3.5 trillion in output, and accounting for 15% of the Gross Domestic Product.

✍ **WHAT ARE SPECIAL INTERESTS BEHIND HARMFUL PAYMENT LIMITATIONS UP TO?** Special interests behind harmful payment limitations cross the ideological divide but share a common denominator: agendas that the vast majority of Americans reject. The issue is a divide-and-conquer strategy, using envy to pit farmer against farmer and non-farmer against farmer. Their agenda is to end help to U.S. farmers because they believe it costs too much, they believe it interferes with free markets and trade, or because they believe it is somehow bad for human health and the environment. Never mind that U.S. farm policy makes up less than ½ of 1% of the U.S. budget – just pennies per meal; that U.S. farmers are facing a torrent of unfair foreign subsidies and tariffs that dwarf help to U.S. farmers; that U.S. food is the safest in the world with people living longer and healthier lives than ever before; that U.S. farm policy not only protects and preserves soil, water, air, wildlife, and wetlands at home but also helps save millions of pristine wildlands and forests in the Third World from the plow.