

February 27, 2018

The Honorable Steve Womack
Chairman
Committee on the Budget
U.S. House of Representatives
309 Cannon House Office Building
Washington, DC 20515

Dear Chairman Womack:

Pursuant to section 301(d) of the Congressional Budget Act of 1974 and clause 4(f) of House Rule X, we are providing below the recommendations of the Committee on Agriculture with respect to the mission areas within the Committee's jurisdiction. The Committee on Agriculture appreciates the opportunity to share its views and estimates for fiscal year 2019.

In our letter to the Committee on the Budget last year, we acknowledged the difficult task before your Committee each year as you seek our shared goal of putting the nation's fiscal house in order.

We also wrote of the extremely trying times in rural America with our nation's farmers and ranchers struggling to cope with a more than 50 percent drop in net farm income, the steepest drop since the Great Depression.

We further observed that, despite these economic conditions, the current Farm Bill is on target to contribute more than \$100 billion to deficit reduction over a 10-year period, four times what was pledged by our Committee during the legislation's development and passage. As we noted at the time, these significant savings are also being achieved despite our Committee's budget constituting just 1.7 percent of total federal spending, with the farm safety net under the commodity and crop insurance titles constituting only about 0.26 percent of total federal expenditures.

In view of these facts, we urged the Committee on the Budget to require no further budget reductions from within our jurisdiction but rather that the budget resolution respect the contributions we have already made to deficit reduction and to provide us with the flexibility we need to develop and enact a Farm Bill that is capable of addressing current conditions.

Today, we write to renew this request.

As you know, conditions have not improved in rural America but have only worsened. Net farm income is down 52 percent from where it stood just five years ago; reports indicate that chapter 12 bankruptcies are up 33 percent over the past two years; and the U.S. Department of Agriculture's Economic Research Service recently issued a report indicating that farm income has fallen to levels not seen in 12 years.

Last year's hurricanes and wildfires—in addition to perennially high and rising foreign subsidies, tariffs, and non-tariff trade barriers—help explain why agricultural economists see no end in sight to current conditions. These culprits also underscore the importance of strong commodity and trade titles to the Farm Bill and of fully protecting and strengthening Federal Crop Insurance. They also serve as important reminders of why U.S. farm policy is so vital to a sector of our economy to which 21 million American jobs are owed.

As part of the more than \$100 billion in deficit reduction, the nutrition title under the 2014 Farm Bill has produced significant savings even as it continues to provide a critical hand up to American families in need. We anticipate taking this fiscal success into full account as we work to develop bipartisan policies in the 2018 Farm Bill that will continue to ensure that all American families have food on their tables.

Further, we believe that an already highly successful conservation title, aimed at promoting cleaner water and air, reducing soil erosion, and enhancing wildlife habitat, will take on even greater importance as federal policymakers move away from more regulatory regimes toward voluntary, incentive-based assistance programs. Moreover, policies under the credit, rural development, forestry, and energy titles are also of great importance, with hard times in farm and ranch country creating a credit crunch, and with the new emphasis on expanding broadband access and addressing the opioid crisis hampering the quality of life in rural areas. We also want to take advantage of opportunities in forestry and new crop uses in order to create greater economic growth and jobs in rural America. Finally, the research and horticulture titles continue to play crucial roles for America's farm and ranch families, including helping us maintain a competitive edge through innovation.

Despite the incontrovertible fiscal success of the 2014 Farm Bill and the importance of the policies it contains, we have already witnessed a myriad of proposals to “reform” or otherwise cut these policies, and we regret that too many of them appear to be ideologically motivated rather than grounded in a solid understanding of the issues involved. Whatever the motivation behind them, we will undoubtedly have to contend with these kinds of proposals and the damage they threaten to do to rural America.

But, for this Committee's part, based on the parameters set down by the joint budget resolution for fiscal year 2018, we have engaged in an extensive, thoughtful, and bipartisan review of all policies within our jurisdiction, a process first begun three years ago. This process is now culminating into the final stages of drafting the 2018 Farm Bill, which the Committee has resolved to consider in the first quarter of this year. As such, any midstream change in the budget parameters required of us would significantly hinder our bipartisan efforts to meet the call of many, including the President, for the on-time enactment of a strong, new Farm Bill.

As you know, even under existing parameters, our job will not be easy. Lapsing budget baselines for some 39 programs along with additional needs that have been identified are coming face to face with the finite resources that we have available and, consequently, tough choices must be made. We are determined to make these difficult choices in a fiscally responsible manner and are prepared to do so in a way that is fully consistent with our obligations under the current budget. We respectfully urge the Committee on the Budget to afford us this opportunity.

Thank you once again for this opportunity to present our budget views and estimates and for your Committee's important work.

Sincerely,

Enclosure