



SUSTAINABLE AGRICULTURE COALITION

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USDA Should Release and Act on Its New Farm Payment Data

Ferd Hoefner, policy director for the Sustainable Agriculture Coalition, reacted with the following statement to today's release by Senators Charles Grassley and Byron Dorgan of a January 4 letter revealing for the first time the existence of a comprehensive USDA database tracing all commodity and conservation program payments to the actual individuals who are the beneficial interests. The letter (*attached*) is from USDA Under Secretary for Farm and Foreign Agricultural Services J.B. Penn to Senators Grassley and Dorgan, responding to their letter of November 10, 2005 (*also attached*).

We are heartened that at long last USDA believes it has finally implemented the 2002 Farm Bill requirement that it establish a tracking system to trace farm program payments on an ongoing basis to the actual beneficiaries, piercing the corporate and coop veil. For decades, the USDA's failure to keep records on farm payments information has thwarted the establishment of policies for fair and reasonable limitations on farm payments. The new database should be good news for taxpayers and the vast majority of farmers and citizens who polls show consistently support common sense limitations on farm payments.

Mr. Hoefner noted, however, that the USDA letter acknowledging of the database's existence leaves important questions unanswered:

First, when and how does the Department plan to make the database public? This is important information with a direct bearing on public policy and should be made publicly accessible as quickly as possible. We urge the Secretary to make this information available in the near term, well before the start of the 2007 Farm Bill debate in Congress.

Second, now that the Department has this information, how is it using the data to inform decisions about enforcement of the existing payment limit laws? Over the years, reports from the US Government Accountability Office, USDA Office of Inspector General, and outside groups have detailed a lack of aggressive oversight and enforcement activity. The new database should now be used to help pinpoint cases that deserve further investigation.

Third, will the Department use the new information to promote the President's endorsement of payment limitation reform? As widely rumored, the President's budget to be released next week will once again endorse payment limitation reform. If that is the case, the database logically should be used to inform the Administration's policy

choice and help detail its contours. That would be a welcome change to last year's performance, when solid details of the budget proposal were never forthcoming from USDA and when, during consideration of the budget reconciliation bill in Congress, the Administration fell strangely silent on its own proposal. The Administration failure to actively support the budget proposal submitted by Senators Grassley and Dorgan contributed to its defeat. As a result of that abandonment, conservation, rural development, and agriculture research investments bore the full brunt of the budget cutting knife, while mega farms, many receiving annual six-figure taxpayer checks went, once again, unscathed.

Finally, will the Secretary heed the advice of the US Government Accountability Office (see <http://www.gao.gov/new.items/d04407.pdf>) and the USDA Payment Limitation Commission (see <http://www.usda.gov/oce/oce/Document%20Archive/payments/paymentLimitsAll.pdf>) by mounting an immediate drive to rewrite the loophole-ridden regulations that allow mega-farms and their legal counsel to evade the nominal payment limitations Congress has set by law? USDA can close many of the most egregious loopholes through rulemaking, without waiting on further action by the Congress. We urge the Secretary to issue new rules during this calendar year. Such an effort would be proof of the sincerity of the Administration's budget proposal.

The Sustainable Agriculture Coalition represents grassroots farm, rural, and conservation organizations from across the country that advocate for public policies supporting the long-term economic and environmental sustainability of agriculture, natural resources and rural communities. The Coalition has consistently endorsed commodity program payment limitation reform legislation and amendments introduced by Senators Grassley and Dorgan and many of their Senate colleagues. The proposed legislation would place a limit of \$250,000 on the amount of commodity payments any one farm can receive on an annual basis and close an array of existing loopholes in order to level the playing field for family farmers and restore integrity to the program.

The Coalition has endorsed amendments by Senator Grassley and others to limit the size and use of farm bill conservation payments to subsidize the building and expansion of industrial-sized animal confinement operations and their negative rural community impacts and inherent environmental and public health dangers.