

United States Senate

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January 17, 2024

Dear Colleague:

I want to thank you all for your bipartisan work on the Committee as we continue to draft and negotiate the 2024 Farm Bill.

As we begin a new year and the second session of the 118th Congress, I want to outline my proposal for strengthening the farm safety net in the 2024 Farm Bill.

The good news is the “farm” is on every page of the Farm Bill. From crop insurance and commodity programs, to research, marketing assistance, trade and programs that help low-income families buy local fruits and vegetables, the 2018 law is a strong foundation for American farmers.

The 2024 Farm Bill is an opportunity for the Committee to make improvements, modernize dated elements, and address emerging challenges American farmers face.

My vision for modernizing the safety net centers around five key principles:

- programs must be targeted to active farmers;
- we need to provide farmers choices and flexibility;
- assistance should be timely;
- we need to expand the reach of programs to help more farmers; and
- we need to address the emerging risks farmers face.

Crop insurance is a key tool that meaningfully advances each of these goals.

Whether I’m talking to farmers at a hearing, field day, or local diner, they all emphasize the importance of crop insurance. Over time, we have made meaningful improvements, provided more choices for existing coverage, and expanded its reach to cover more crops, varieties, areas, and types of production.

Crop insurance is working. It now covers more than 600 varieties of 134 crops across the country. Nearly \$200 billion in crop value is insured. This is an increase of over \$50 billion since the last Farm Bill, which was driven by new livestock policies and area plans. This critical tool provided nearly \$30 billion in timely support in 2022 and 2023 so far. Other tools, while helpful, often take a year or more after a disaster for assistance to reach farmers.

Farmers want coverage for a greater share of the risk, better affordability, and a more straightforward and streamlined process. The 2018 Farm Bill provided cotton farmers with a choice between the traditional base acre programs and a highly-subsidized and streamlined area-based crop insurance policy. The next Farm Bill should give a similar option to all commodities.

The Committee can also continue to expand crop insurance options to more specialty crop and livestock producers while making crop insurance more affordable for beginning farmers. This means improving and streamlining policies like the Whole Farm Revenue Protection and Micro Farm Insurance programs to help small and diversified farmers. But it also means making sure there are agents and companies marketing the improved options in the places and communities where there is unmet need. We need to make sure USDA has the right tools to step in if farmers or agents are being denied or discouraged from certain insurance products.

While the Commodity title is limited to 22 crops and payments are less timely, it is also an important tool for farmers. In the last Farm Bill, we made important updates to both the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs to make them more reactive to recent market conditions, and we gave farmers the choice each year to pick which program better suits their needs.

The 2018 bill created an “effective reference price” for PLC that tracks the price of commodities and increases support to farmers in a market-oriented fashion. This means that under existing law half of the program crops and more than 90 percent of the program acres are going to see an automatic 10-15% increase in their reference price over the next few years.

I am open to proposals that would make sure every covered commodity receives an increase under an “effective reference price.”

The Farm Bill is not just an opportunity to improve and modernize the current set of tools. It is also our chance to take stock of the emerging challenges we face and develop new tools to support farmers.

Talk to any farmer and you will hear about supply chain challenges and higher input costs and interest rates eating into their already razor-thin margins. This is especially true for beginning, small, and medium-sized farms, where one bad stretch of weather or turn in the markets can put the whole operation in jeopardy. Aside from dairy’s margin safety net and a few row crops, most farmers have limited tools to protect against this kind of risk.

Instead of spreading taxpayer dollars to investors and absentee landlords, who often capture benefits under the existing programs, the new Farm Bill should use the tools that directly target assistance to the farmers bearing these risks. The Committee can address risks from high costs by improving marketing assistance loans, which provide timely assistance through a price floor, and ensure access to affordable credit and other financing tools to help farms facing high interest rates. Looking to the future, we should develop new crop insurance policies that protect against

high costs, low margins, and the costs from business disruptions from diseases like avian influenza.

The Farm Bill is our opportunity to build on the progress we made in 2018 by providing bipartisan solutions to the challenges farmers are facing. We can provide farmers the option to pick what tools work best for their crops, region, and farm. No mandates, just more options.


However, we're not going to have the bipartisan votes to achieve these improvements if they are paid for by taking money from nutrition programs which help more than 44 million Americans struggling with hunger, or from popular conservation programs, when the climate crisis is hitting farmers' bottom lines every day.

I am working creatively to bring new, bipartisan resources into the Farm Bill. This includes working with Senator Boozman and USDA to double funding for trade promotion programs over the next five years. If we act fast, the new farm bill could leverage this one-time action to bump up permanent baseline funding for trade promotion, which has not happened in the previous three farm bills. I also have a commitment from Leader Schumer to work with us to find several billion dollars from outside the Farm Bill to help us achieve our goals. We should not let this opportunity pass. In the 2014 Farm Bill, Senate leadership told our Committee to cut spending by over \$20 billion.

By choosing the right tools and finding creative solutions, we can make meaningful improvements to the safety net that meet the needs of farmers, big and small, across the country.

This may be my last Farm Bill, but it's not my first. If we're going to get a Farm Bill done this spring to keep farmers farming, it's time to get serious. I look forward to continuing our bipartisan work to get it done.

Sincerely,



Chairwoman Debbie Stabenow

Senate Committee on Agriculture, Nutrition, and Forestry