National Grain and Feed Association
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Dear Farm Bill Conferees:

The National Grain and Feed Association (NGFA) is pleased the conference committee is beginning work today to resolve the differences between the House- and Senate-passed versions of the farm bills.

NGFA is comprised of nearly 1,050 member companies that operate more than 7,000 grain handling, feed and feed manufacturing, grain processing and export facilities throughout the United States. Collectively, our member companies handle approximately 70 percent of the nation's grain and oilseed crop. Our Mission Statement commits the NGFA to "fostering an efficient free-market environment that produces an abundant, safe and high-quality supply of grain, feed and feeding ingredients for domestic and world consumers."

Consistent with its Mission Statement, the NGFA wishes to apprise conferees of two major priorities that we believe need to be addressed when crafting a final version of the farm bill:

- **Commodity Programs**: NGFA encourages the conference committee to avoid policies that would distort producer planting or marketing decisions, or violate U.S. trade obligations under the World Trade Organization (WTO), when crafting an appropriate farm program safety net. History repeatedly has shown that government commodity programs that send planting signals inconsistent with market demand lead to negative impacts on markets, international trade relationships, and the agriculture industry as a whole. We believe agricultural production should respond to market supply-and-demand fluctuations, not government programs. Such a market-oriented process ultimately benefits producers, consumers and taxpayers.

  In this regard, NGFA's principal concern is linking any type of farm program income supports to actual plantings. We fear that such a policy could lead to planting distortions for some commodities, as well as risk exposing the United States to potential WTO trade challenges. For these reasons, NGFA urges the conference committee to craft a commodity title safety-net that is decoupled from actual plantings.

- **Conservation Reserve Program (CRP) Reform**: Responding to growing demand for food, feed, biofuels and exports requires maximizing America's unparalleled productive resources, including its productive farm acres. This reality, combined with budget pressure to reduce spending and the need to provide an opportunity for younger producers to become engaged in farming, strongly argue for allowing productive acres that can be farmed in an environmentally sustainable way to exit the CRP.

  NGFA commends both chambers of Congress for addressing the CRP acreage cap in their respective farm bills. The House farm bill would reduce the current 32-million-acre cap to 24 million acres, while the Senate bill would lower the cap to 25 million acres – both through a gradual, stair-step approach over a period of years. The most recent CRP general sign-up results reflect the trend towards planting more crops on land suitable for production. If sign-ups remain steady over the next five years, the resulting acres enrolled in CRP would be less than 22 million acres. Therefore, we encourage the conference committee to further reduce the CRP cap to a level less than the 24-million-acre ceiling contained in the House-passed bill.

Further, NGFA commends and strongly supports the penalty-free early termination provision contained in the House-passed farm bill, which would allow CRP contract holders to terminate their contracts in fiscal year 2014 if the land meets specified criteria and has been enrolled in CRP for at least the previous five years.

NGFA appreciates your consideration of the issues outlined above, and looks forward to working with you and your staff as the conference committee moves forward with the important task of establishing a sound farm policy framework for agricultural producers, agribusinesses and the millions of Americans whose jobs depend on a vibrant and flourishing U.S. agriculture.

Sincerely,

Randall C. Gordon
President