



OXFAM SUPPORTS THE FAIRNESS IN FARM AND FOOD POLICY AMENDMENT

Congress is now debating the 2007 Farm Bill—a law draft measure that will govern our farm, food, and conservation policy for the next five years. The current Farm Bill represents a broken promise to America’s farmers and rural communities, and it falls short of meeting its obligations to families that depend on food stamps and conservation programs that protect rivers and streams.

Unfortunately, the House Agriculture Committee has approved a new Farm Bill that takes our broken food and farm policy from bad to worse. It continues massive taxpayer support to the biggest and richest farmers, while doing little for small farmers, minority producers, anti-hunger programs, or the environment. It will also continue to encourage overproduction and dumping of agriculture surpluses, such as cotton, on developing country farmers who are struggling to lift themselves out of poverty. **THIS IS NOT REFORM.**

Together with a diverse group of allies, Oxfam is calling on the full House of Representatives to amend this legislation when it considers the bill **THIS THURSDAY** by voting in favor of the bipartisan **FAIRNESS IN FARM AND FOOD POLICY AMENDMENT**. The “Fairness” amendment would shift funds from trade-distorting subsidies to other priorities, such as food stamps, conservation, and programs that help minority and socially disadvantaged farmers. It will help America take important first steps on a new course toward real reform of family farm and food policy.

Key reforms include:

- **A Fair and Modern Safety Net for Production Agriculture** –The amendment replaces depression-era price guarantees that are out of line with current international obligations. In their place, it offers a modern safety net that is significantly less trade-distorting. Developed by USDA experts, the safety net will better protect family farmers from declines in crop prices and yields. And it will support America’s farmers without threatening the livelihoods of millions of farmers in developing countries. Savings: \$1 billion over five years.
- **Support Working Family Farmers** -- The amendment denies subsidies to large commercial farmers whose average annual adjusted gross income is greater than \$500,000. It also limits annual subsidies to \$250,000 per person.
- **Reform Crop Insurance** – The amendment reforms our government-subsidized crop insurance program to fairly share the costs and risks of this program with crop insurance agents and companies. Savings: \$2 billion over five years.

- **Gradually Reduce Automatic Direct Payments** -- The amendment gradually reduces direct payments, which were created to wean farmers off subsidies in 1996 but which have become an entitlement program that will cost more than \$26 billion over five years. Limited resource farmers would be exempt from cuts, and modest incentives would encourage farmers to invest payments in rainy day accounts. Savings: at least \$7 billion over five years.

Major new mandatory investments include:

- **Increase Domestic Hunger Assistance** – The amendment increases hunger assistance by at least \$5.4 billion over five years and will allow those domestic programs to feed a greater number of deserving people, especially children and seniors.
- **Reward Stewardship** – The amendment increases voluntary stewardship incentives by \$3 billion over five years above the Committee's proposal, more funds to share the cost of clean water and wildlife habitat and for the preservation of open spaces.
- **Promote Healthy Food Choices** – The amendment increases the Agriculture Committee's investment by \$1.2 billion over five years to fund healthy food choices, including more fresh fruits and vegetables for school children and more farmers markets.
- **Support Our Fruit and Vegetable Producers** – To fairly address the needs of all producers, the amendment expands programs to more equitably support our fruit and vegetable producers by \$1 billion above the Committee's investment over five years, including research and grant programs.
- **Support Our Minority Farmers** – The amendment provides \$500 million over five years above the Committee's proposal and makes overdue changes which will make USDA programs more accessible to minority farmers who have been historically underserved by federal farm programs.
- **Boost Rural Prosperity** – The amendment will boost rural prosperity by providing \$200 million more than the Committee invests over five years in grants and loans for the development of new rural enterprises.
- **Reduce the Deficit by \$10 billion** – The amendment would reduce the Federal deficit by \$2 billion over five years and by roughly \$10 billion over 10 years.