

## Farm Futures

### **Direct Payment Proposal Concerns Farm Groups; Legislators**

**February 27, 2009**

Members of Congress and farm groups are concerned about President Obama's planned three-year phase out of direct payments to farmers with sales of at least \$500,000 per year. USDA Budget Director Scott Steele has confirmed the limitations will apply to whole-farm sales, not just crop sales or adjusted net income. Senate Agriculture Committee Ranking Member Saxby Chambliss, R-Ga., says he is greatly concerned by several parts of the President's budget.

"Efforts to cut direct payments and make other sweeping changes to current farm policy will only inject additional uncertainty into the farm economy," Chambliss said. "I believe it is unwise to completely alter the makeup of the farm safety net before we have the opportunity to assess the effects of the reforms included in the 2008 farm bill."

House Ag Committee Ranking Member Frank Lucas, R-Okla., also opposes President Obama's budget proposal, calling it ill-timed, ill-conceived, and completely out of touch with the realities of production agriculture.

"This proposal attacks family-run farms all across rural America," said Lucas. "The people who provide us with the safest, most abundant food supply in the world are being asked to shoulder the burden of our economic crisis. We made a commitment to our producers when we passed the 2008 farm bill. Now, during an economic crisis, when our producers are trying to make planning decisions, when they're trying to address higher input costs, we're going to renege on our promise to them."

Steele says that the proposed budget is only an overarching outline, and "much lively debate" is anticipated before the final version is presented to Congress in April.