

**COMMITTEES:
ARMED SERVICES**

SUBCOMMITTEE ON READINESS

SUBCOMMITTEE ON
SEAPOWER AND EXPEDITIONARY FORCES

JUDICIARY

SUBCOMMITTEE ON CRIME, TERRORISM,
AND HOMELAND SECURITY – RANKING MEMBER

SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP,
REFUGEES, BORDER SECURITY,
AND INTERNATIONAL LAW



J. Randy Forbes
United States Congress
4th District, Virginia
June 6, 2007

307 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6365

425-H SOUTH MAIN STREET
EMPORIA, VA 23847
(434) 634-5575

2903 BOULEVARD, SUITE B
COLONIAL HEIGHTS, VA 23834
(804) 526-4969

505 INDEPENDENCE PARKWAY
LAKE CENTER II—SUITE 104
CHESAPEAKE, VA 23320
(757) 382-0080

Chairman Collin C. Peterson
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

Dear Chairman Peterson:

As the Subcommittee on Specialty Crops, Rural Development and Foreign Agriculture marks up the peanut provisions for the 2007 farm bill today, I write to strongly oppose a provision contained in the Chairman's mark.

While I understand the initial proposal from the Southeastern states of increasing the loan rate to the range of \$415 to \$450 was rejected, I am disappointed that any loan rate increase was proposed in the mark.

The current program allows more farm income to be generated from the market rather than the government loan program. The existing program allows the government to provide a safety net by keeping all of the base payments in place, using the loan as a banking guarantee, and allows market price/demand to work effectively for profit.

The proposal offered in the Chairman's mark increases the loan rate by 5.8%. However, the reduction in payment base from 85% to 74% and the resulting reduction in counter-cyclical payments will mean a total loss of income to producers and baseholders of 25%. Further, the reduction in payment base sets an unprecedented example that other commodities may be forced to follow.

Virginia peanut producers have finally adjusted to the drastic changes in the 2002 farm bill. The producers are growing for the market and not for the loan program. Now that they have begun to restore acres and production, they could be forced with a devastating loss of income once again. This is grossly unfair.

I urge you to maintain the loan rate, base payment percentage and direct payments at their current levels. If this cannot be accomplished in Subcommittee, I urge you to take steps to overturn these changes in full Committee. With kind personal regards, I am

Yours truly,


J. RANDY FORBES
Member of Congress