

Congress of the United States

Washington, DC 20515

June 3, 2019

The Honorable Sonny Perdue
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Perdue,

The purpose of the country's farm safety net has been to target price and income support to working farmers and family-scale farming operations. As you implement the payment limitation provisions of the Agricultural Improvement Act of 2018, the Department again has the opportunity to close the loopholes that undermine the purpose of the farm safety net, most importantly by including a meaningful and effective "actively engaged in farming" test for personal management.

The new farm bill's highly controversial addition of first cousins, nieces, and nephews to the definition of family members need not turn into an even larger loophole that increases payments to passive investors and mega-farms. You have the authority to stop these abuses of the farm safety net and that undermine the integrity and public support of farm programs. The template for preserving the intent of the farm safety net is the Actively Engaged in Farming final rule from December 2015.

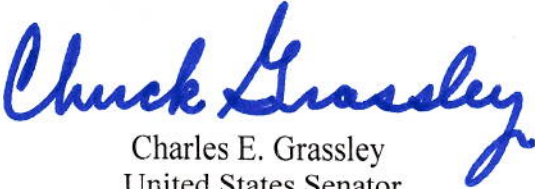
The 2015 rule strengthened the definition of "significant contribution of active personal management" and provided a quantifiable test for active personal management, but applied those provisions to only a very small percentage of farming operations. Applying that definition and quantifiable test across the board, to all persons -- including first cousins, nieces, and nephews, regardless of the type of business -- to determine whether someone is actively engaged in farming or not, would bring USDA regulations into harmony with longstanding congressional intent to target support to working farmers and family-scale operations.

The farm safety net in this country was never intended to maximize government payments or cover every bushel of every commodity on every acre. The support programs are intended to provide support to working farmers to protect against low prices or yields and to provide enough support that if a farmer has a bad year, that farmer can survive to plant again the next year. Unfortunately, that is not the reality today, as documented multiple times by the U.S. Government Accountability Office.

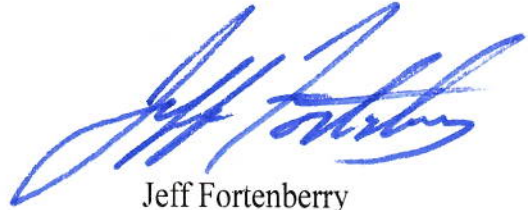
We need an effective payment limitation system, one in which each farm is subject to the same limitation, where paying lawyers and accountants to re-design farms to exploit regulatory loopholes in order to receive unlimited subsidies is not allowed. We will not have an effective system until there is a clear definition of "active personal management", a quantifiable active management test, and a provision ensuring that the qualification of more than one person as providing a significant contribution of active personal management does not qualify an operation for multiple payment limitations.

The Department has the authority and obligation to fairly and effectively administer the law. In order to preserve the farm safety net for family farmers as it was intended, we urge you to take the steps outlined above as you develop the rule to implement the changes to the payment limitation and actively engaged in farming provisions of the farm bill.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is fluid and cursive, with the first name "Chuck" being more prominent than the last name "Grassley".

Charles E. Grassley
United States Senator

A handwritten signature in blue ink that reads "Jeff Fortenberry". The signature is fluid and cursive, with the first name "Jeff" being more prominent than the last name "Fortenberry".

Jeff Fortenberry
United States Representative