



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

June 17, 2013
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1947 – Federal Agriculture Reform and Risk Management Act of 2013

(Rep. Lucas, R-OK, and Rep. Peterson, D-MN)

The Administration strongly opposes H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013. The bill would reduce access to food assistance for struggling families and their children, does not contain sufficient commodity and crop insurance reforms, and does not provide funding for renewable energy, which is an important source of jobs and economic growth in rural communities across the country.

The Administration strongly opposes the harmful cuts to the Supplemental Nutrition Assistance Program (SNAP), a cornerstone of our Nation's food assistance safety net. The bill makes unacceptable deep cuts in SNAP, which could increase hunger among millions of Americans who are struggling to make ends meet, including families with children and senior citizens. The Administration believes that Congress should achieve significant budgetary savings to help reduce the deficit without creating hardship for vulnerable families – for example, by reducing crop insurance subsidies. Rather than reducing crop insurance subsidies by \$11.7 billion over 10 years, as proposed in the President's Budget, H.R. 1947 would increase reference prices for farmers by roughly 45 percent and increase already generous crop insurance subsidies at a cost of nearly \$9 billion over 10 years to the Nation's taxpayers.

The Administration supports enactment of a multi-year Farm Bill that includes a long-term extension of disaster programs and promotes rural development, preserves a farm safety net, maintains strong nutrition programs, encourages the development of local and regional markets, enhances conservation, supports environmental stewardship, complies with our World Trade Organization commitments, advances agricultural research, and provides funding for renewable energy. In addition, the Administration believes that crop insurance payments should be tied to the Nation's soil conservation and wetland protection goals. The legislation should also contribute significantly to deficit reduction, with savings from reforms proposed in the President's Budget.

Consistent with the President's Budget, the Administration looks forward to working with the Congress to achieve crop insurance and commodity program savings not contained in H.R. 1947, while at the same time strengthening the farm safety net in times of need and supporting the next generation of farmers. The Administration also looks forward to working with the Congress to structure reporting requirements to maximize and facilitate agricultural research without creating undue burdens. The Administration believes that provisions that would create unneeded barriers for agencies with regulatory responsibilities in executing their missions should not be included in a final bill.

Finally, the Administration looks forward to working with the Congress to reform the P.L. 480 Title II food aid program in order to provide food aid to starving people faster and feed millions of additional people per year at current funding levels.

If the President were presented with H.R. 1947, his senior advisors would recommend that he veto the bill.

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