113TH CONGRESS
1ST SESSION

# S. 334

To terminate agricultural direct payments beginning with the 2013 crop year.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2013

Mrs. MCCASKILL (for herself and Mr. FLAKE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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# A BILL

To terminate agricultural direct payments beginning with the 2013 crop year.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. FINDINGS AND SENSE OF CONGRESS.**

(a) FINDINGS.—Congress finds that—

(1) on September 30, 2012, the final day of the 2012 fiscal year, the total public debt outstanding equaled more than $16,000,000,000,000;

(2) the Congressional Budget Office projects that under law in effect as of the date of enactment

of this Act, the budget deficit for fiscal year 2013 will be $845,000,000,000;

(3) the most recent projection from the Department of Agriculture, updated in February 2013, forecast—

(A) net farm income to be $112,000,000,000 in 2012, the second-highest total on record; and

(B) farm asset values, reflecting expectations of long-term profitability, to rise to a record $2,536,000,000,000;

(4) direct payments to agricultural producers—

(A) cost the Federal Government nearly $5,000,000,000 annually;

(B) are fixed payments with no connection to market conditions or the actual losses of the producers; and

(C) are not reduced or adjusted in any way in response to high commodity prices or high farm incomes;

(5) direct payments that are set based on historical acreage and yield are payable even to people who do not farm and to agricultural producers who do not grow the covered commodity for which the direct payments are made;

(6)(A) direct payments are paid to producers on less than 22 percent of all farms in the United States and only for a select number of commodities;

(B) among producers on farms that receive direct payments, the payments are concentrated among producers on the largest farm operations, which are those least likely to need support;

(C) more than 51 percent of payments flow to just 10 percent of recipients; and

(D) more than 73 percent of payments flow to just 25 percent of recipients;

(7)(A) direct payments were—

(i) enacted through the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.), title I of the 1996 Farm Bill; and

(ii) intended to be temporary, transitional payments to assist agricultural producers following the elimination of target price deficiency payments; but

(B) the ‘‘transition’’ was never completed and direct payments were reauthorized in 2002 and 2008; and

(8) direct payments were eliminated by—

(A) S. 3240 (112th Congress), the Agriculture Reform, Food, and Jobs Act of 2012, which passed the Senate on June 21, 2012; and

(B) H.R. 6083 (112th Congress), the Federal Agriculture Reform and Risk Management Act of 2012, which was reported by the Committee on Agriculture of the House of Representatives on September 13, 2012.

(b) SENSE OF CONGRESS.—It is the sense of Congress that direct payments—

(1) are unnecessary and unaffordable; and

(2) should be immediately repealed.

**SEC. 2. TERMINATION OF AGRICULTURAL DIRECT PAYMENTS.**

(a) REPEAL.—Sections 1103 and 1303 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713, 8753) are repealed.

(b) APPLICATION OF AMENDMENTS.—Notwithstanding section 701 of the American Taxpayer Relief Act of 2012 (Public Law 112–240; 126 Stat. 2362), the amendments made by this section shall apply beginning with the 2013 crop year.

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