

## THE WHITE HOUSE

Office of the Press Secretary

---

For Immediate Release

May 13, 2008

### STATEMENT BY THE PRESIDENT

In January 2007, I was hopeful that leaders in Washington could come together on a good farm bill. At that time, my Administration had completed more than fifty listening sessions across the country and developed a reform-minded farm bill based on the thousands of comments received. Our proposal would make wise use of the people's money by reforming farm programs, funding emerging priorities and providing a safety-net that better targets benefits for farmers.

I am deeply disappointed in the conference report filed today as it falls far short of the proposal my Administration put forward. If this bill makes it to my desk, I will veto it.

Today's farm economy is very strong and that is something to celebrate. It is also an appropriate time to better target subsidies and put forth real reform. Farm income is expected to exceed the 10-year average by fifty percent this year, yet Congress' bill asks American taxpayers to subsidize the incomes of married farmers who earn \$1.5 million per year. I believe doing so at a time of record farm income is irresponsible and jeopardizes America's support for necessary farm programs.

Congress claims that this bill increases spending by \$10 billion, but the real cost is nearly \$20 billion when you include actual government spending that will occur if this bill becomes law. Instead of fully offsetting the increased spending, the bill resorts to a variety of gimmicks, such as pushing commodity payments outside the budget window. Adding nearly \$20 billion in additional costs to the current ten-year spending level of approximately \$600 billion is excessive, especially when net farm income is at a record high and food prices are on the rise. My Administration clearly identified numerous reforms as essential to justify even a \$10 billion increase in spending, yet this bill includes none of those reforms in full.

Crop prices have averaged a twenty percent increase since just last year. Still, Congress wants to raise payment rates for most crops and create new subsidies which can be triggered even at very high prices. The bill fails to stop the practice of collecting subsidies even when crops are sold later at a higher price; it restricts our ability to redirect food aid dollars for emergency use in the midst of a global food crisis; and it falls short of the Administration's conservation proposals. By increasing trade-distorting subsidies, the bill undermines our ability to open foreign markets to American agricultural goods. The bill creates an egregious new sugar subsidy program that will keep sugar prices high for domestic consumers, while making taxpayers subsidize a handful of sugar growers. These are just a few of the reasons why I cannot support this bill.

In the absence of a good farm bill, I call on Congress to extend current law for at least one year. The Administration's reform-minded proposal would be preferable to current law, but in light of the bill produced by conferees an extension is now the better policy for American agriculture and American taxpayers. It is a far superior option than supporting a bill that increases farm subsidy rates, spends too much and fails to reform farm programs for the future.

###