



Nelson-Salazar Base Acre Reduction

Senator Nelson and Senator Salazar filed amendment (#3576) to the Food and Energy Security Act of 2007 that seeks to close a loophole that currently allows non-farmers to get farm safety net program payments on land that has been taken out of production agriculture.

Amendment Summary

- Requires that USDA suspend all direct, counter-cyclical and average crop revenue payments for land that is no longer a farming operation or used in conjunction with a farming operation.
- Requires the Secretary to permanently reduce base acres for any land that has been developed for commercial or industrial use, and if it has been subdivided and developed into multiple residential tracts or other non-farming uses -- unless the producer can demonstrate that the land remains devoted exclusively to agricultural production.

Background

This is the “Cowboy Starter Kit” amendment. A “cowboy starter kit” is former farm land that has been taken out of farming and subdivided into multiple residential properties; each large enough to, for example, build a house on part of it and keep a horse in the backyard. For example, a former 100-acre field that is considered base acres for a commodity is sold off and subdivided into 10, 10-acre plots and those are each sold off. The new owner of each plot can put a house on 1 acre and use the remaining 9 acres for whatever he or she wants. Under current law as administered by USDA, however, that owner can also continue to receive direct payments and counter-cyclical payments on those 9 acres simply because the original 100 acres were commodity base acres. For more examples see the Washington Post article from July 2, 2006 (<http://www.washingtonpost.com/wp-srv/nation/interactives/farmaid/>).

Staff conversations with USDA (Farm Service Agency and Office of General Counsel) have yielded an agreement that the language is a change from current law and FSA stated that they would read this as clearly directing them to stop the payments to cowboy starter kits and other similar former farmland. FSA further believes that this language is administratively feasible.

It is important to note that this amendment is focused on the land and its use (base acres), thus it closes a loophole not previously addressed by the Committee bill or other amendments. Since direct and counter-cyclical payments go out according to base acres, we argue that it is necessary to address this problem by reducing the base acres when the land is no longer in production agriculture.

There is no reason that subdivision land owners with no connection to agriculture—other than the fact they now live on former farmland—should get direct and counter-cyclical payments.

Visit American Farmland Trust's Farm and Food Policy Campaign Web site (www.farmland.org/farmpolicy) for more information on how we're working to strengthen the future of American agriculture and ensure fresh, healthy, local food for generations to come.