

113TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

4 (a) FINDINGS.—Congress finds that—

5 (1) on September 30, 2012, the final day of the
6 2012 fiscal year, the total public debt outstanding
7 equaled more than \$16,000,000,000,000;

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

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

3 (3) the most recent projection from the Depart-
4 ment of Agriculture, updated in February 2013,
5 forecast—

6 (A) net farm income to be
7 \$112,000,000,000 in 2012, the second-highest
8 total on record; and

9 (B) farm asset values, reflecting expecta-
10 tions of long-term profitability, to rise to a
11 record \$2,536,000,000,000;

12 (4) direct payments to agricultural producers—

13 (A) cost the Federal Government nearly
14 \$5,000,000,000 annually;

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

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

21 (5) direct payments that are set based on his-
22 torical acreage and yield are payable even to people
23 who do not farm and to agricultural producers who
24 do not grow the covered commodity for which the di-
25 rect payments are made;

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

4 (B) among producers on farms that receive di-
5 rect payments, the payments are concentrated
6 among producers on the largest farm operations,
7 which are those least likely to need support;

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

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

12 (7)(A) direct payments were—

13 (i) enacted through the Agricultural Mar-
14 ket Transition Act (7 U.S.C. 7201 et seq.), title
15 I of the 1996 Farm Bill; and

16 (ii) intended to be temporary, transitional
17 payments to assist agricultural producers fol-
18 lowing the elimination of target price deficiency
19 payments; but

20 (B) the “transition” was never completed and
21 direct payments were reauthorized in 2002 and
22 2008; and

23 (8) direct payments were eliminated by—

1 (A) S. 3240 (112th Congress), the Agri-
2 culture Reform, Food, and Jobs Act of 2012,
3 which passed the Senate on June 21, 2012; and

4 (B) H.R. 6083 (112th Congress), the Fed-
5 eral Agriculture Reform and Risk Management
6 Act of 2012, which was reported by the Com-
7 mittee on Agriculture of the House of Rep-
8 resentatives on September 13, 2012.

9 (b) SENSE OF CONGRESS.—It is the sense of Con-
10 gress that direct payments—

11 (1) are unnecessary and unaffordable; and

12 (2) should be immediately repealed.

13 **SEC. 2. TERMINATION OF AGRICULTURAL DIRECT PAY-**
14 **MENTS.**

15 (a) REPEAL.—Sections 1103 and 1303 of the Food,
16 Conservation, and Energy Act of 2008 (7 U.S.C. 8713,
17 8753) are repealed.

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