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April 11, 2012

The Honorable Debbie Stabenow  
Chairman  
Senate Agriculture, Nutrition & Forestry Committee  
328A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Pat Roberts  
Ranking Member  
Senate Agriculture, Nutrition & Forestry Committee  
328A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Frank Lucas  
Chairman  
House Committee on Agriculture  
1301 Longworth House Office Building

The Honorable Colin Peterson  
Ranking Member  
House Committee on Agriculture  
1301 Longworth House Office Building

Dear Chairman Stabenow and Ranking Member Roberts, and Chairman Lucas and Ranking Member Peterson:

The Agricultural Retailers Association (ARA) has a considerable interest in the passage of a 2012 Farm Bill. Considering the budgetary constraints our country currently faces, you will undoubtedly have difficult items to consider in putting this legislation together and ARA greatly appreciates your efforts. However, it is with a strong level of concern that we urge you to pass a Farm Bill in 2012 that will last through 2017 in order to provide certainty to those involved in feeding, fueling, and clothing the nation.

Agricultural retailers play an integral role in agricultural production. They supply farmers with the vital crop inputs such as seed, nutrients, crop protection products and equipment. Agricultural retailers also provide farmers with services such as custom application, crop consultation, conservation advice, credit and technology availability. ARA would ask that you consider the following requests in drafting the 2012 Farm Bill:

- **Include “The Reducing Regulatory Burdens Act of 2011” (H.R. 872) to stop CWA liability for applicators applying pesticides in compliance with FIFRA.** As of November 1, 2011, pesticide applicators have the potential to fall into the regulatory windfall of the Clean Water Act (CWA) for the use of products that have already been approved for use by the EPA under FIFRA. Although terrestrial application of pesticides used in agricultural production processes are exempt from having to acquire a general NPDES permit, the agricultural industry cannot escape the presence of concern due to the lack of clarity surrounding CWA’s jurisdiction. The House has passed HR 872 with bipartisan support, and it has passed the Senate Agriculture Committee with a voice vote.
- **Preserve the crop insurance program.** In order to provide a reliable inventory of crop production inputs to farmers, agriculture retailers must incur a significant amount of risk. Crop insurance gives input suppliers the reassurance that repayment for crop inputs supplied at the beginning of the growing season is likely. However, Congress should ask the USDA to consider changes to the crop insurance program, like extending the preventative planting date, to reflect the advances in improved technologies. These changes would help provide farmers and suppliers with more certainty while perhaps saving money expensed on crop insurance payments.
- **Conservation**

- **Reduce the authorized acreage in the Conservation Reserve Program (CRP) by requiring the majority tract offered to be designated as highly erodible land (HEL).** Agricultural production must increase in order to meet the food and fiber needs of a rapidly growing population, the feed needs of the livestock industry, and the supply needs for the biofuels industry. Additionally, haying and grazing should be permitted on enrolled CRP land in all participating counties. Finally, CRP participants should be offered more flexibility in contract terms by being allowed to opt out early from part or the entirety of their contracts. There are many instances in which the contract lengths are too long and do not provide those CRP participants with the opportunity to take advantage of emerging techniques and technologies in the production of corn, soybeans, or other crops that can be used for additional feed, food, and fiber as well as the production of renewable energy.
- **Support the statistical survey work performed by the National Agricultural Statistical Service (NASS) in support of the Conservation Effects Assessment Project (CEAP)** administered by the USDA Natural Resource Conservation Service (NRCS). CEAP is a recent effort by NRCS and is quickly becoming one of the most valuable tools the service uses to demonstrate to the country how much conservation work is being performed on the nation's agricultural land and what is being accomplished through the use of those conservational measures. The survey work performed by NASS is essential to the success and the quality of the CEAP effort. CEAP is a highly efficient and cost effective way to demonstrate the results from the conservation practices used by farmers and ranchers. Moreover, through the use of CEAP, NRCS is able to help ensure that farmers and ranchers are working on top resource challenges.
- **Technical Service Provider Program (TSP) should mandate industry representatives on the state technical committees.** ARA supports the continuation of the TSP program; however, we believe there should be a greater cooperative effort between USDA and agricultural retailers on program flexibility and payments. Currently, most state technical committees are not inclusive of qualified private sector entities, most notably, certified crop advisors (CCA's). The TSP program is primarily carried out by retired NRCS employees who receive the majority of the available work. Effectively, this makes it challenging for local businesses to assist their farmer customers. Currently, our country faces high employment and limited government resources; it is a missed opportunity for these responsibilities not to be carried out by local businesses with longstanding rapport towards their customer bases. As an example, crop consultants, often CCA's, have many developed business relationships and have previously established trust and credibility.
- **Tax Provisions**
  - **Agricultural Chemical Security Tax Credit-** In an effort to keep dangerous chemicals out of the hands of terrorists, Congress instituted the Chemical Facility Anti-Terrorism Standards Act (CFATS), which requires agricultural retailers to make significant capital investments in facility security. The Farm Bill that was passed in 2008 provided a 30 percent tax credit to those agricultural businesses that invest in chemical security measures. The CFATS program is being implemented and improved and we expect to have new ammonium nitrate fertilizer handling standards finalized this year. This tax credit helps retailers comply with these new facility security rules without passing the cost down to their customers.
  - **Agriculture equipment depreciation schedule set to five years.** Currently, agriculture equipment is on a seven year depreciation schedule, while construction equipment is on a five year depreciation schedule. Agriculture equipment is changing rapidly with technologies that allow for better fuel efficiency, conservation and safety. Technology adoption for more environmentally sound equipment would improve if agriculture equipment were depreciated over a five year period.

- **The biotechnology approval process should be reformed by implementing a more accountable and efficient federal agency review process.** The current review process delays use of important technologies and discourages technological innovation. Congress should also ensure that the USDA's Federal Advisory Committee on Biotechnology and 21<sup>st</sup> Century Agriculture (AC21), is composed of an accurate representation of the nation's modern agricultural and biotechnology industries.

Thank you for your careful consideration of the Agricultural Retailers Association's concerns as you begin your work on the 2012 Farm Bill. Once again, we strongly urge you to pass a Farm Bill in 2012 in order to provide certainty to those that feed, fuel, and clothe Americans and others around the globe. If you have any questions or concerns, please contact Jeff Sands, ARA Director of Public Policy, at (202) 595-1705 or [jeff@aradc.org](mailto:jeff@aradc.org).

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Daren Coppock". The signature is fluid and cursive, with a large initial "W" and "C".

W. Daren Coppock  
President & CEO