

The 2012 Farm Bill

Is Congress brave enough
to pass big reform?



Every five years, Congress passes a bundle of legislation, commonly called the “Farm Bill,” that sets national agriculture, nutrition, conservation, and forestry policy. The last Farm Bill was passed in 2008, and expires September 30, 2012. For lawmakers in states with large agriculture industries, August may be the longest month, as farmers, ranchers and producers clamor for a bill to extend programs that begin expiring in September. With less than a dozen days in session before that day and an approaching election, it is unclear what — if any — action Congress will take to pass a new five-year farm bill.

The Agriculture Reform, Food and Jobs Act of 2012 (S. 3240)—commonly known as the 2012 Farm Bill—represents the most significant reforms in agricultural policy in decades. The bill—which was passed in July 2012 by the Senate—ends direct payments, streamlines and consolidates programs, and saves taxpayers \$23 billion. It also strengthens top priorities that help farmers, ranchers, and small business owners continue to grow our economy through managing risk and modifying other subsidies.

At the same time, without sufficient support from the House (whose Ag Committee passed a significantly different version of an updated Farm Bill), the Senate version on the table looks as if it may stall until after the November Presidential election. The hang up: additional cuts in conservation programs, food stamps and the possibility of a stand-alone drought relief bill. Another option, a one-year extension of the current Farm Bill along with some version of disaster assistance to help producers, was dismissed earlier by the House of Representatives.

Ag laws in limbo:

Congress failed to advance the pending legislation before adjourning for its five-week recess

After scrapping a plan to seek a one-year extension of current farm programs, in early August, the House pushed through a bill offering \$383 million in drought aid to livestock producers. Members passed the Agricultural Disaster Assistance Act, H.R. 6233 by 223-197, but it never made it to the Senate or to the President’s desk, and Congress left for its August recess with no plan to help farmers, leaving both the stand-alone measure and the broader farm bill in limbo until lawmakers return in September.

Some legislators criticized the drought relief bill for cutting conservation programs, and for not helping all farmers. Only sheep and cattle producers were protected. Berry and specialty crop producers’ needs were not directly addressed, and there was no assistance for pork and poultry producers. That’s because the provisions are limited to indemnities that occur because of bad weather and would not help producers who are affected by high corn and soybean prices that are driving up feed costs. Regardless, all are frustrated that no bill was passed or introduced to the full Congress prior to the recess.

Time is ticking

With that status in mind, approving a new farm bill will be high on the priority list when Congress returns on Sept. 10. Members will have only eight legislative

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days to act before heading home to campaign before the November election. That makes getting a new farm bill out of the waning days of this Congress much more of a long shot, according to American Farm Bureau Federation farm policy specialist Mary Kay Thatcher.

Most news sources agree that there is no unity on the Farm Bill issue, as evidenced by the fact that the House farm bill was not brought up for a vote prior to the August recess, even though it passed the House Agriculture Committee. That's the first time the House has declined to advance its own committee bill, *The New York Times* reported.

"This will be a controversial bill," Thatcher said.

Prior to the recess, Senator Debbie Stabenow, Democrat of Michigan, the chairwoman of the Senate Agriculture Committee, took to the Senate floor to say that lawmakers would work informally over the August recess to try to put together a new measure to present to Congress when it meets in September.

House Ag Committee Chair Frank Lucas (R-OK) said he still would like to see passage of a five-year farm bill, but expressed measured support for a stand-alone one-year extension as well. "There will be a farm bill," he said. The only question is "when it will happen."

The primary concern for most is to ensure that the drought issue does not overshadow the need to wean out large commodity subsidies, which must be balanced with encouraging new farmers, smart land conservation practices, and efforts to sustain smaller family farms.

But there is much to reconcile in the Senate version of the 2012 Farm Bill that was passed in July and the version that came out of the House Agriculture Committee, on which the full House has yet to vote. The Senate bill would cut spending by about \$23 billion during 10 years, while the House version would reduce \$35 billion.

One thing is certain. The Direct Payments program will be radically shifted in favor of measured crop insurance reform.

"The bill recognizes the reality of the budget deficit and makes vital reforms to subsidy programs that we can no longer afford, including ending the antiquated Direct Payments Program. Ending these subsidies and consolidating other agriculture programs will save taxpayers \$23 billion over the next five years," said long-time Senator Diane Feinstein (D-CA).

Hurdles and solutions

Presuming the House ultimately passes a farm bill, there will be much work to do as the House and Senate versions go to conference committee to resolve

their differences. For example, the Senate bill cuts food assistance by only about \$4 billion. There is also an Air Quality Initiative in the Senate version that Farm Bureau supports but the House bill lacks. In addition, the House bill contains an amendment that would prevent state laws from restricting the sale of farm products based on how they were produced.

"Congress has a job to do and that among other things is to pass a farm bill," said Representative Peter Welch, Democrat of Vermont, who is trying to use a petition to force the farm bill to the floor against the wishes of leadership, a difficult procedural maneuver that will require Republican help. But he said scores of Republicans had signed already.

According to Rayne Pegg, manager of the California Farm Bureau Federation Federal Policy Division, the House and Senate agriculture committees have at least one tool up their sleeves.

"They can hold an unofficial conference committee, which just happened for the transportation bill," Pegg said. "If that doesn't happen, we will look to the lame-duck session for legislative action."

National Corn Growers Association President Garry Niemeyer released on July 27 a statement in response to extending the farm bill for another year.

"America's farmers need a new farm bill that will allow them the ability to make sound business decisions for the next five years," said Niemeyer, an Auburn, Ill., farmer. "An extension of current law fails to provide the needed level of certainty. Farmers and producers rely on the predictability that a farm bill provides to make decisions about their operations for next year."

"I would have much preferred to have a full farm bill" passed, said Representative Tom Cole, Republican of Oklahoma. "But we're not going to be able to make a lot of decisions that need to be made until the American people decide who the decision makers are going to be. And that's the biggest challenge to legislating right now."

Rep. Steve King (R-Iowa) puts it more bluntly.

"Current authorization for federal farm programs will expire on Sept. 30. This would be a troubling situation in any year, but with the record drought that's currently scorching Iowa and so many other states, the need for a farm bill—and the disaster assistance programs contained within it—is critical."

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For a copy of the Senate Farm Bill (S. 3240), The Agriculture Reform, Food and Jobs Act of 2012, go to this link: <http://www.ag.senate.gov/issues/farm-bill>

For a copy of the House of Representative Farm Bill (H.R. 6083), Federal Agriculture Reform and Risk Management Act, go to this link: <http://agriculture.house.gov/sites/republicans.agriculture.house.gov/files/pdf/legislation/HR6083FARRM.pdf>

Portions of this article were taken from the websites of Senator Diane Feinstein and the California Farm Bureau Federation. Additional input was solicited from CoBank, and AAC policy liaison Mike Fletcher.