

A New Five-Year Farm Bill By Christmas?



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It's beginning to look a lot like Christmas in many parts of the country and traditionally, that's when we could expect lawmakers in our nation's capital to be wrapping up several pieces of legislation so they could spend holiday time with their own families. But this year, the so-called "fiscal cliff" negotiations have put schedules in limbo and the country on edge with a lot of last minute deals still up in the air.

Failure to act before Dec. 31 means that tax rates will go up, some exemptions will go down, and \$500 billion in budget sequestration cuts will kick in. For example, estate tax rates could go as high as 55 percent and personal exemptions would drop from the current \$5 million level to \$1 million.

So the expectation is that some type of a deal will be cut before year-end, especially if President Barack Obama and House Speaker John Boehner can lock themselves in a room and find ways to compromise. And if that happens, a farm bill could be part of the package.

Granted, it still seems like a long-shot, given that there are so many variables at play. But Senate and House Agriculture Committee leaders appear to be standing at the ready to offer up between \$23-\$35 billion in ten-year savings they generated in their respective farm bill packages as a budgetary offset to any legislation that moves before year-end.

House Agriculture Committee Chairman Frank Lucas, R-Okla., keeps reiterating his commitment to move a bill as soon as possible and has been huddling with the other three farm bill committee leaders.

But much still depends on whether or not Obama and Boehner can agree on a fiscal cliff package.

"The chairwoman (Sen. Debbie Stabenow) and I are making every effort with fellow senators to say, 'Look, here's \$25 billion. If you want to pay for emergency relief for the hurricane or the sequester or whatever, here's \$25 billion you can use and pass the Senate farm bill,'" explained Sen. Pat Roberts. "We're working very hard with staff and sending signals out left and right. We hope that we can see a train there on the other side of the tunnel. Anything that moves, that needs money, obviously here's the way to do it."

Sources familiar with both the House and Senate versions of the five-year farm bill believe the two versions could be conferenced without too much difficulty, given that staff members already produced what House Agriculture Committee Chair Frank Lucas often describes as the "hurry-up" farm bill as part of the "Super Committee" process in Nov. 2011.

However, Roberts, who currently serves as the

committee's ranking Republican, was no fan of that bill last year and his concerns about the target or "reference" prices in the House Agriculture Committee's commodity title stand in sharp contrast to Chairman Lucas' long-standing support for giving producers a choice between revenue and price protection options.

"I don't want to go to target prices. That will be the big fight," Roberts told Agri-Pulse after the Senate's farm bill vote in June. For wheat growers, "if the target price is \$6, \$5, or \$5.50 in Kansas, guess what they are going to plant? They are going to plant wheat. So they are farming not for the market, but for the target price. They are farming for the government again."

Roberts seemed to express a more conciliatory tone during a meeting between Secretary Tom Vilsack, Stabenow, Lucas and House Ag Committee Ranking member Collin Peterson last week, when he said the group reviewed the farm bill challenges ahead without negotiating any specific provisions. However, he said he was "very strong in pointing out to Vilsack that he didn't want to get into a WTO (World Trade Organization) scrap if the target price thing bled over to other crops.

"I really think the biggest hurdle or challenge that we have with the southern commodities is to signal to them what we've done . . . [that] we're willing to extend something for a couple of years; we'll build a bridge and get back to what we can live with," Roberts said.

He's still pushing for the Senate version of the commodity title, but "at the 11th hour and 59th minute, if that is their position, I think you have to take a look at whatever price protection you can work out," Roberts said.

Even though the House Agriculture Committee staff has done extensive economic research on their plan, Roberts argued that "it should be based on data. It should not be just pulled out of a hat. That would cause great problems with the Congressional Budget Office (CBO). And it should be done in a way that does not really distort any planting decisions or you're inviting a WTO complaint. I think everybody realizes what cotton went through."

Roberts emphasized that preserving crop insurance is the number one thing members heard during the farm bill hearings and strengthening crop insurance is his top priority. Without a new farm bill using the current CBO baseline, he fears "we could see a situation where the administration would rather cut crop insurance or the CBO scores would make it very difficult to have the kind of crop insurance we need. We've been through two drought years, we are headed for a third," he added. "Without the proper crop insurance you are going to see a lot of farmers go out of business." Δ

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