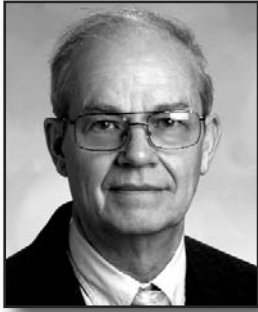


## Combest's Path To A More Effective And Less Costly Farm Legislation



**DR. DARYLL E. RAY**  
Agricultural Economist  
University of Tennessee



**DR. HARWOOD D. SCHAFFER**  
Research Assistant Professor at  
APAC, University of Tennessee

As we move into March 2013, no news report is complete without some acknowledgement of the sequester and the potential for the mandatory across-the-board cuts to affect services that the US public has come to depend on and reduce the rate of economic growth. During the first full week of March, in an attempt to make wiser cuts aimed at reducing the deficit, the President sat down to dinner with small groups of members of Congress. Up to that time, one proposed "solution" was to replace the across-the-board cuts with budget reductions that focus largely on defense and farm programs.

In an article from Farm Policy Facts ([http://news.farmpolicyfacts.org/e\\_article002638599.cfm?x=bm62wcD,bhlwyLMQ](http://news.farmpolicyfacts.org/e_article002638599.cfm?x=bm62wcD,bhlwyLMQ)), Former House Ag Committee Chair, Larry Combest provides some background and perspective on how, for some, the farm program became a primary target to achieve the mandated budget savings.

Combest argues that the failure of Congress to adopt a farm bill last year was a missed opportunity. "Now, instead of asking the [House and Senate Agriculture] Committees to report farm bill legislation that achieves a targeted amount of savings plus sensible reform, at least one Senate plan to turn off budget sequestration threatens to circumvent the Committees and eliminate nearly any semblance of a farm safety net in the current farm bill," Combest writes.

His concern is that this "plan would terminate the direct payment. But that is not the main problem. Last year's farm bills would have done the same. The problem is how the direct payments are eliminated.

"By eliminating fully one-half of the funding available to write a new farm safety net in a five-year farm bill, the plan makes the development and successful passage of that farm bill a bigger challenge. First, there would not be adequate resources to provide a meaningful safety net for farmers. Second, an impetus behind passage of a farm bill has been to achieve the savings and

reforms the bill can offer.

"What's more, if direct payments are terminated as provided under this plan, every farmer in the country will be left with no effective policy should the farm economy collapse." To remedy this situation Combest argues that Congressional leaders should request that the two ag committees produce a farm bill that would provide for a meaningful farm safety net while achieving the savings necessary to meet agriculture's contribution to deficit reduction.

Combest is not arguing in favor of retaining the direct payments, but rather for reforms that would provide "a new safety net in the farm bill that does not attempt to duplicate crop insurance but does that which crop insurance was never designed to do: be there for farmers when prices collapse over multiple years.... The success of a safety net is not measured by how much it spends but whether it is there when farmers really need it."

We could not have made that last point any better than Combest.

We have long been frustrated by the fact that developing sensible farm policy has been driven by a "how much it spends" mentality, using baseline numbers that always reflect an extension of current conditions. By not acknowledging the range of risks that farmers may face over the life of the farm bill under consideration, the farm bill likely will fail to protect farmers from widespread crop failure or multiple years of low prices – this is especially true of farm bills that are written in years like 2013 when grain prices are very high.

Whether farm commodity prices are high or low, farm bills have important responsibilities in areas like the nutrition program, the environment, rural development, food safety, and a host of other programs that meet a set of ongoing needs.

It is when farm commodity prices are low for multiple years in a row or when farmers experience the effects of a natural disaster, that farmers really need a safety net as a part of a well thought-out farm bill.

As Combest suggests, a true measure of a farm bill is whether or not it provides the needed protection in a manner that manages government costs over the long-run. Looking to future farm bills, agreeing on that measure/objective would be a major step forward. The debate on how to best achieve it would still need to be addressed, which no doubt would be as contentious as ever. △

*DR. DARYLL E. RAY: Blasingame Chair of Excellence in Agricultural Policy, Institute of Agriculture, University of Tennessee*

*DR. HARWOOD D. SCHAFFER: Research Assistant Professor at APAC, University of Tennessee*



Link Directly To: **AGROTAIN**



Link Directly To: **VERMEER**