

For Sen. Roberts, Farm Bill Proposals Created Sense Of Déjà Vu



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As a former chairman of the House Agriculture Committee and farm policy veteran, Kansas Sen. Pat Roberts has seen more than his fair share of farm program ideas come and go. So when he learned about some of the farm program proposals

floated as part of the supercommittee process in November, he had a sense of “been there, done that.”

“There were some good things in that plan and then there were some things that gave me real concern, and Title 1, the commodity title was certainly one of them,” Roberts told me during an exclusive interview. If the proposed commodity title were enacted, “we will be going back to 1985,” he added, referring to a time when there was much greater government influence on farm policy, with payments coupled to production.

Although Roberts insists he was “not in the room” with Senate Agriculture Chairman Debbie Stabenow, D-Mich, and House Agriculture Committee Chairman Frank Lucas, R-Okla., as they tried to meet a \$23 billion deficit reduction target for the Joint Select Committee on Deficit Reduction effort that ultimately failed last month, he is aware of several of the concepts that were discussed. A draft plan that was developed by Sen. Stabenow’s staff was obtained by Agri-Pulse and has now been widely circulated on Capitol Hill.

According to the draft, the new commodity title would eliminate fixed, direct payments, the Average Crop Revenue Election (ACRE) Program and the Supplemental Agricultural Disaster Assistance Program (SURE). A new stand-alone revenue protection program for cotton growers would be created, along with an expanded supplemental area-wide revenue coverage program for all other producers. A new Ag Risk Coverage (ARC) program would be created to protect against both price and yield losses at the Farm Service Agency farm level. As an alternative to ARC, a producer can elect a price only coverage option, providing support on planted and a percentage of prevented planted acres up to 85 percent of base acres on a farm.

Although the target price numbers were adjusted to help meet the \$23 billion savings target after the initial document was leaked, sources told Agri-Pulse that target prices were proposed at or near the following levels: Wheat: \$5.50/bu.; Corn: 3.64/bu.; Sorghum: \$3.87 bu.; Barley: \$3.64 bu.; Oats: \$2.40 bu.; Rice (medium and long grain): \$13.98/cwt.; Soybeans: \$8.31/bu.; Peanuts: \$534/ton; Lentils: \$16.90; Large Chickpeas: \$13.66/cwt.; Small Chickpeas: \$17.40/cwt.

“How do you determine those target prices?” Roberts asked. “It’s supposed to be based on the cost of production, allegedly, which can vary from farm to farm, county to county, state to state. It would be very difficult to do.

“I’ve been down that road before in previous farm bills. When you set the target price of wheat at \$5.50/bu., I can tell you that a lot of farmers in Kansas will switch from what they are doing now, which is highly diversified, to plant wheat. We are coupling back up and farmers will farm the farm program.”

“That’s the reform that we went through in 1996. I didn’t want to go back there. Secondly, it invites a WTO (World Trade Organization) complaint, as we can see what happened with the cotton situation.

“With cotton you have to give them credit. They moved clear out of Title 1 and went to crop insurance. So, I think they realized they got their fingers burned pretty badly with the WTO complaint and were fairly innovative in trying to address that. What we’ve done with target prices is just the opposite.”

Roberts says his concerns are fairly straightforward and he hopes his colleagues will have a chance to discuss these proposals during a more open, transparent process when farm bill hearings resume early in 2012.

“You can have the highest target price in the world and, if you don’t have a crop, it doesn’t make any difference,” Roberts emphasized. “That’s why you have to strengthen and preserve crop insurance.

Roberts said that an improved crop insurance program is where “farm policy for the long term is headed. I don’t think we are headed back to a situation where you can have a lot of budget exposure and you tend to have a situation where farmers farmed the program. We have enough critics now, we don’t need to invite more.”

As farm bill hearings start again next spring, Roberts is encouraged that there will be an opportunity for more input from the full committee.

“We have a lot of very good members, former chairmen, a former secretary of agriculture, a lot of farm state governors, people that know the program and they felt that they did not have an opportunity to really know what was in the bill and to offer suggestions. So I think the process is the key thing. You start the process right and you get full transparency and you go back to regular order. I’m not sure this (currently proposed) program could stand the light of day.

He believes that any new farm program is going to have to be market oriented, be budget conscious, and provide protection for farmers that don’t have a crop.

“There may be room for some kind of a revenue program, if that’s the way we want to go, but I don’t think the target price option is a wise one,” he added.

Asked about concerns that a new farm bill written by the ag committees will have trouble avoiding major changes on the House and Senate floors, Roberts admits that attacks from farm program critics will certainly be a factor.

“You know the critics of agricultural program policy---they have made a profession out of it. With this type of program, don’t you think the critics would have a field day?” he asked.

However, he believes debate in the full committee could also enable members to unify.

“If you do the process right and everybody has their say, then we can coalesce around a serious discussion about long term policy and ask, ‘Where are we headed? What’s going to be the long term effect of this proposal?’

Roberts said he was also concerned about USDA’s ability to deliver some of the farm program ideas being proposed.

“My Lord how will we even implement this? I don’t think they have an IT system set up that will enable us to do the job. They don’t have the employees to do it. I was very concerned about that.... And then, again, I worry about going back to target prices and the basic fear are you going to go back to farmers planting for the program.

“Other people may have concerns, other people may feel that what they put together was the right thing, but at least they ought to have the time to say so.

“I think the biggest thing is the process. We have a lot of very good members, former chairmen, a former secretary of agriculture, a lot of farm state governors--- people that know the program and they felt that they did not have an opportunity to really know what was in the bill and to offer suggestions. So I think the process is the key thing. You start the process right and you get full transparency and you go back to regular order.

“I’m not sure this (proposed) program could stand the light of day,” he added. Δ

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