

How President Obama's Farm Bill Proposals Compare To Gov. Romney's Approach



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With just weeks to go before the presidential election, both Democrats and Republicans are ramping up their messaging and a new farm bill – or lack thereof – is taking center stage. One reason: A large number of farm and rural voters are located in swing states like Colorado, Wisconsin, Iowa and Ohio that are “must wins” in order for either President Barack Obama or Gov. Mitt Romney to claim an election victory on November 6.

The GOP also needs to win at least four more seats in order to regain control of the Senate, making the rural vote in places like North Dakota and Missouri especially important.

Obama spent three-days trekking across Iowa recently, talking about how his administration implemented an “all hands on deck” approach to disaster assistance and bashing Romney’s running mate, House Budget Committee Chairman Paul Ryan, who he claimed was blocking passage of a new farm bill because he’s a leader of House GOP members.

The best way to help drought-stricken farmers and ranchers, is “for the folks in Congress to pass a farm bill that not only helps farmers and ranchers respond to natural disasters, but also makes some necessary reforms and gives farmers and ranchers some long-term certainty,” Obama emphasized during a stop in western Iowa.

“Unfortunately, right now, too many members of Congress are blocking the farm bill from becoming law,” Obama pointed out, while suggesting that Rep. Ryan is partly to blame.

The Obama campaign also issued a set of talking points called the “Romney-Ryan Budget Cuts: Gutting Rural American Economic Security,” in an attempt to show stark differences between the two campaigns’ approaches on farm policy.

The campaign document claims that: “The Romney-Ryan budget would severely limit the next farm bill, weakening the farm safety net, gutting natural-resource conservation programs that benefit farmers and the environment, and undermining job growth and economic development in rural America. Where President Obama’s budget would eliminate unnecessary handouts to large corporate agribusinesses, the Romney-Ryan plan would increase the cost of crop insurance for family farmers who depend on the program in times of natural disaster and economic hardship.”

More similarities than differences

But when you dig beneath the surface, you see that much of what President Obama and Chairman Ryan have to say about farm programs share many similarities – at least when you compare their budget proposals. President Obama did not issue a list of any farm bill priorities, so we can only look to his annual budget proposals for clues.

Both gentlemen would cut about \$30 billion out of farm program spending over the next 10 years, with much of the cuts coming from eliminating direct payments and cuts to crop insurance subsidies. The biggest differences between the two plans come in the areas of food stamps, with the Ryan calling for turning the food stamp program into a capped block grant to the states.

For example, president Obama’s fiscal year 2013 budget request includes a smattering of 2012 Farm Bill proposals, including the same \$32 billion in 10-year farm bill cuts he issued last September and a proposed one-year cut to farm bill conservation programs of \$432 million, according to National Sustainable Agriculture Coalition Policy Director Ferd Hoefner, who described the proposal as “not terribly interesting.”

“It follows the emerging consensus to do away with direct payments but offers no alternative safety net proposal other than renewing a largely discredited and expensive farm disaster program. It also proposes an across-the-board two percent cut to farmers’ crop insurance premium subsidies. Both the commodity payment and crop insurance proposals fail to target the cuts, and thus their impact would be felt most heavily by small and medium-size farms,” explained Hoefner.

“Neither proposal addresses the critical issue of whether the public should be given assurances that natural resources are protected in return for their large investment in farm pro-

duction subsidies,” Hoefner wrote on the NSAC blog. “Nowhere in the President’s request is any indication given that the farm bill has an important role to play in economic recovery, job creation, and improved public health through renewal of funding for innovative programs that expire at the end of 2012. Frankly, the proposals are relatively lame and not at all progressive. Clearly, all the heavy lifting is left to Congress.”

The Obama budget also proposes to layer still further cuts of \$432 million on top of the more than \$1.25 billion in farm bill conservation cuts enacted as part of the FY 2011 and FY 2012 appropriations bills. All of the proposed cuts would come from working lands conservation programs that help farmers protect natural resources and reward farmers for the environmental benefits they produce, Hoefner pointed out.

The most substantial differences are between the president and Gov. Romney, not Ryan, his vice-presidential pick. And Romney has only recently been providing clues on how he views agricultural policy.

For example, Romney was asked about farm program subsidies during a presidential primary debate on CNN earlier this year. Here’s his response:

“We don’t want to find ourselves with regards to our food supply in the same kind of position we are in with our energy supply, so it’s important for us to make sure that our farmers are able to stay on the farm and raise the crops that we need to have a secure source of food. So I believe in supports that will allow us to do that. At the same time I recognize that we are investing in new technologies to get ourselves energy independent, and I happen to believe that some of the best sources of having renewable energy come from the farm. And so we are investing with subsidies in that area that will create new technology that otherwise wouldn’t be ready for the market yet. So I support these programs.”

And finally, I’d say this: We have in our nation about one out of three acres that are planted are for sale overseas. We send products around the world. We are competing with European and Brazilian and other farmers. We are competing in a market where they are heavily subsidized at great disadvantage to our farmers. And so if we are going to change our support structure, we want to make sure that they change their support structure, and we do this together as opposed to unilaterally saying we are going to put our farmers in a tough position and have the farmers of the rest of the world continue to be subsidized. So, open markets, let our goods go around the world and secure our source of food,” he explained.

While the president was in Iowa last week, the Romney campaign also rolled out an all-star list of agricultural leaders who support him. For the complete list: <http://www.agri-pulse.com/Romney-announces-farmers-and-ranchers-coalition-08152012.asp>

Contrasting approaches

“There’s no question that there is a real contrast between Gov. Romney and President Obama when it comes to American agriculture,” noted Chuck Conner, a former Deputy and Acting Secretary of Agriculture during the George W. Bush Administration who is serving as one of the national chairs for the Farmers and Ranchers for Romney coalition.

Conner said there are several actions Gov. Romney pledged to take in order to help agriculture and rural America on “Day one” if elected to serve as president. These include:

- Seek expanded Trade Promotion Authority (TPA) to begin what Conner described as a “stalled process to open new markets for agricultural products across the globe.”

- Repeal the estate tax. Without further legislative action, estate taxes will increase dramatically to a 55 percent rate for estates valued above \$1 million on Jan. 1, 2013, which could threaten the ability of families to pass down the farm to future generations.

- Place a “regulatory cap” on new regulations and by executive order, instruct each federal agency to come up with a system – similar to zero-based budgeting – which would require agencies to consider the costs before imposing onerous new regulations. “This would end the cycle of placing more and more regulations on farmers and ranchers,” Conner explained. Δ

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