

No Farm Bill Leaves Uncertainty For Farmers

Farm policy has been pushed to a lame-duck session of Congress.

COLUMBIA, MO. Congress adjourned until after the November elections without action on a new farm bill. That presents farmers with a great deal of uncertainty moving forward. University of Missouri Extension agricultural economist Scott Brown says that after many months of negotiations and listening sessions, Congress failed to advance new farm policy.

“The Senate did end up passing a farm bill from the floor and although the House did pass a bill out of committee it never reached the House floor, which is the next step in the process,” Brown said. “So with Congress not back in session until after the election, we’re in a situation where we are not going to know very much until the lame-duck session, and guessing what will happen during that session at this point is pretty tough.”

Brown says that the outcome of the election may indicate what option Congress will pursue in regard to the farm bill in the lame-duck session.

“If the Republicans were to take control of both the House and Senate, I certainly think that is a situation where it could be more apt to see a short-term extension and the Republicans restarting the farm bill process going into 2013,” Brown said. “If control of the two chambers remains split, then I think we might see them work hard in lame duck to get a farm bill done.”

However, finishing a farm bill will still prove to be extremely difficult. Congress was unable to do so during the past two years, and during the lame duck it will only have four weeks. Brown says the commodity titles that came from the Senate floor and through the House Agriculture Committee are not all that different and he doesn’t expect it to be that large of an issue to compromise on. Cuts in nutrition may be where a struggle will ensue, as the Senate wanted fewer cuts than many of the more conservative

members of the House are asking for.

So far, much of the discussion about the farm bill in the House of Representatives has centered on funding cuts, deficit reduction and tax policy rather than the actual components of a comprehensive farm policy bill.

“There is certainly a lot of difference of opinion when you look at the House side in terms of how far cuts need to go, and I think that’s why they’re so held up at this point in time,” Brown said. “They have to come back following the election and talk about some type of either extension or a new farm bill.”

If Congress is unable to take some action, farm policy could revert back to 1949 permanent law. Brown says that the end of the year is critical for either an extension or a farm bill; otherwise, some features of permanent law could start kicking in. He says that implementing permanent law would be a huge undertaking for USDA and he thinks it is still highly unlikely to happen.

“If you think you can take 1949 law and apply it in 2012 without some issues, then you haven’t thought very carefully about how agriculture has changed over the last several decades,” Brown said.

The cost of a farm bill looking ahead is a concern for Brown. If a short-term extension is passed and the farm bill is reopened in 2013, it will start with a new budget developed by the Congressional Budget Office.

“When I look at what I expect to see there, it is probably less money in the baseline,” Brown said. “We’re already talking about needing to make cuts. The cuts could seem much deeper because of a different baseline. So this notion that we could extend current law, roll into 2013 and pick up where we left off may not hold if the new baseline against which we’re going to measure things has changed a lot.” Δ



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