

Farm Bill Could Hinge On Budget Cuts

MARY CLARE JALONICK, Associated Press

WASHINGTON (AP) — A farm bill that stalled in Congress before the election could see quick action by the end of the year if congressional leaders decide they need its spending cuts — including a small reduction in the \$80-billion-a-year food stamps program — to make a deal for averting the "fiscal cliff."

The farm bill passed by the Senate in June would save \$23 billion over 10 years, while a version passed by the House Agriculture Committee in July would save \$35 billion. The savings come from cuts to farm subsidies and by tightening eligibility requirements for those who receive food stamps, now known as the Supplemental Nutrition Assistance Program, or SNAP.

That pot of money could be useful to lawmakers who will be scrambling in the year's final weeks to address the combination of tax increases and automatic spending cuts due in January — dubbed the fiscal cliff because the combination could plunge the economy into another recession.

The Senate has already passed its version of the farm bill. So any decision to make it part of a budget agreement will require the acquiescence of Republican House leaders who stopped action on the bill before the election, saying there weren't enough votes. But they also avoided a nasty and what would have been a highly visible pre-election floor fight over food stamps.

Democrats said the program, which feeds about 1 in 7 Americans, shouldn't be touched while conservatives complained the bill's 2 percent cut in the program — \$1.6 billion a year — was too small.

Doug Heye, a spokesman for House Majority Leader Eric Cantor, said no decisions have been made on how to move the farm bill or whether it will be part of the fiscal negotiations. The 2008 farm bill expired Sept. 30, so Congress at a minimum will have to extend parts of it into next year.

Senate Agriculture Chairwoman Debbie Stabenow, D-Mich., signaled her eagerness to pair the two bills with a statement Friday saying the farm bill's passage would be "a significant first step in meeting the critical deficit reduction challenges our country must face head-on this year."

Retiring Sen. Kent Conrad, D-N.D., said he has already started working on a compromise farm bill in an effort to move it alongside deficit reduction. Conrad, who chairs the Senate Budget Committee and sits on the Agriculture Committee, said he spent part of Congress' election recess consulting with Senate and House aides who worked on the legislation.

The House and Senate farm bills differ in how they address subsidies for farmers.

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But the biggest difference between the two versions is the amount cut from food stamps: The Democratic-led Senate's bill would cut \$4 billion from the almost \$800 billion program over 10 years; the GOP-led House's version would cut \$16 billion.

Conrad said he has attempted to "take some sort of reasonable difference" between the House and Senate bills but would not provide details. He argues that next year's budget will be even worse and farm-state legislators will be forced to make even deeper cuts.

"Time is not on our side," he said. Next year's budget situation on farm programs will be "a big mess and it's infinitely better for everyone to get these decisions made now."

Farm groups are aggressively pushing a combination of the farm bill and the fiscal package, seeing the deficit reduction as the last, best vehicle to get the bill done this year.

"I think it's going to be very hard to get a farm bill done unless a decision is made very quickly to be part of a package," said Bob Stallman, president of the American Farm Bureau Federation.

Stallman said he thinks the bill can move very quickly once lawmakers find a compromise on the food stamp issue.

"When political leadership decides they want something done they will craft a path to make it happen," he said. "But that hasn't happened yet."

Food stamps make up roughly 80 percent of the bill's half-trillion dollar cost over five years. Sustained unemployment, rising food prices and expanded eligibility under President Barack Obama's 2009 economic stimulus have doubled the program's cost since 2008, and food stamps now help feed 47 million people.

The proposed House cuts would target practices by many states that critics claim swell the rolls of beneficiaries. They include waiving asset and income eligibility limits for people who get other welfare benefits or signing people up for minimal heating aid so that they can qualify automatically for food stamps, too. The Senate bill also tightens eligibility in some areas but doesn't save as much money.

The House and Senate bills also differ on how subsidies are structured for various crops. Commodity groups for specific crops and lawmakers who represent their constituencies have battled over how those subsidies should work in an environment where there is less money to go around.

This year's farm bill situation is unusual. The last four farm bills — passed in 2008, 2002, 1996 and 1990 — were all passed prior to elections with rural politics driving the equation. This year politics had the opposite effect as food stamps got in the way.

Roger Johnson, president of the National Farmers Union, said the results of the Nov.

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6 election should be good news for those who want to see a farm bill passed, since the balance of power stayed the same.

"The outcome removed any sort of political rationale for a delay," Johnson said. "The political argument I think is gone. Not to say it will be easy."

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