Farm Bill Benefits More Than Farmers

MARY CLARE JALONICK, Associated Press

WASHINGTON (AP) — It isn't just farmers who will benefit from the sweeping farm bill that Congress has sent President Barack Obama. There's also help for rural towns, grocery stores in low-income areas and, most notably, the nation's 47 million food stamp recipients.

After years of setbacks, the Senate passed the nearly $100 billion-a-year measure Tuesday on a 62-38 vote. The White House said the president will sign the bill Friday in Michigan, home state of Senate Agriculture Chairwoman Debbie Stabenow.

Farmers in every region would still receive generous subsidies — from Southern peanut growers to Midwest corn farmers and dairies around the country. The support is designed to provide a financial cushion in the face of unpredictable weather and market conditions.

But the bulk of its cost is for the food stamp program, which aids 1 in 7 Americans. The bill would cut food stamps by $800 million a year, or around 1 percent.

House Republicans had hoped to reduce the bill's costs even further, pointing to a booming agriculture sector in recent years and arguing that the now $80 billion-a-year food stamp program has spiraled out of control. The House passed a bill in September that would have reduced the cost of food stamps five times more than the eventual cut.

Those partisan disagreements stalled the bill for more than two years, but conservatives were eventually outnumbered as the Democratic Senate, the White House and a still-powerful bipartisan coalition of farm-state lawmakers pushed to get the bill done.

The White House had been mostly quiet as Congress worked out its differences on the bill. But in a statement after the vote, Obama said the legislation would reduce the deficit "without gutting the vital assistance programs millions of hardworking Americans count on to help put food on the table for their families."

He said the farm bill isn't perfect, "but on the whole, it will make a positive difference not only for the rural economies that grow America's food, but for our nation."

Obama praised the bill for getting rid of subsidies known as "direct payments," which are paid to farmers whether they farm or not. Most of that program's $4.5 billion annual cost was redirected into new, more politically defensible subsidies that would kick in when a farmer has losses.

To gather votes for the bill, Democrat Stabenow and her House counterpart, Rep.

Frank Lucas, R-Okla., included a major boost for crop insurance popular in the Midwest, higher subsidies for Southern rice and peanut farmers and land payments for Western states. The bill also sets policy for hundreds of smaller programs, subsidies, loans and grants — from research on wool to loans for honey producers to protections for the catfish industry. The bill would provide assistance for rural Internet services and boost organic agriculture.

Stabenow said the bill is also intended to help consumers, boosting farmers markets, encouraging local food production and seeking to improve access to grocery stores in low-income communities.

"We worked long and hard to make sure that policies worked for every region of the country, for all of the different kinds of agricultural production we do in our country," she said.

The regional incentives scattered throughout the bill helped it pass easily in the House last week, 251-166. House leaders who had objected to the legislation since 2011 softened their disapproval as they sought to put the long-stalled bill behind them. Leaders in both parties also have hoped to bolster rural candidates in this year's midterm elections.

Conservatives remained unhappy with the bill.

"How are we supposed to restore the confidence of the American people with this monstrosity?" said Sen. John McCain, R-Ariz. McCain pointed to grants and subsidies for sheep marketing, for sushi rice, for the maple syrup industry.

The $800 million-a-year savings in the food stamp program would come from cracking down on some states that seek to boost individual food stamp benefits by giving people small amounts of federal heating assistance that they don't need. That heating assistance, sometimes as low as $1 per person, triggers higher benefits, and some critics see that practice as circumventing the law. The compromise bill would require states to give individual recipients at least $20 in heating assistance before a higher food stamp benefit could kick in.

Some Democrats still objected to the cuts, even though they are much lower than what the House had sought. The Senate-passed farm bill had a $400 million annual cut to food stamps.

Sen. Charles Grassley, R-Iowa, a longtime member of the Agriculture Committee, voted against the bill. He cited provisions passed by the Senate and taken out of the final bill that would have reduced the number of people associated with one farm who can collect farm subsidies. Grassley has for years fought to lower subsidies to the wealthiest farmers.

The bill does have a stricter limit on the overall amount of money an individual farmer can receive — $125,000 in a year, when some programs were previously unrestricted. But the legislation otherwise continues a generous level of subsidies for farmers.

In place of the direct payments, farmers of major row crops — mostly corn, soybeans, wheat and rice — would now be able to choose between subsidies that pay out when revenue drops or when prices drop. Cotton and dairy supports were overhauled to similarly pay out when farmers have losses. Those programs may kick in sooner than expected as some crop prices have started to drop in recent months.

The bill would save around $1.65 billion annually overall. But critics said that under the new insurance-style programs, those savings could disappear if the weather or the market doesn't cooperate.

Craig Cox of the Environmental Working Group, an organization that has fought for subsidy reform for several years, said replacing the direct payments with the new programs is simply a "bait and switch." He said there is "the potential for really big payoffs."

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