Originally published in *MidAmerica Farmer Grower*, Vol. 18, No. 40, October 5, 2001 Reproduction Permission Granted with 1) full attribution to Daryll E. Ray and the Agricultural Policy Analysis Center, University of Tennessee, Knoxville, TN; 2) Copy of reproduction sent to Information Specialist, Agricultural Policy Analysis Center, 310 Morgan Hall, Knoxville, TN 37996-001

Farm bill bipartisanship; But one chamber at a time

The bipartisanship that has been evident since September 11 was in full display on September 25 when Senate Ag Committee Chair Tom Harkin (D-Iowa) and ranking member Richard Lugar (R-Indiana) set forth objectives for the committee's consideration as the Ag Committee drafts its version of a new farm bill. Earlier, we saw similar bipartisanship in the House of Representatives between Ag Committee Chair Larry Combest (R-Texas) and ranking member Charlie Stenholm (D-Texas). While this new bipartisanship may mean that the Democrats and Republicans who work on the same committees are working closer together than ever before, it does not guarantee that the House and the Senate Ag Committees are going in the same direction.

In his remarks during Agriculture Secretary Ann M. Veneman's testimony before the Senate Ag Committee, Sen. Lugar is paraphrased in the New York Times as being critical of the House bill saying that "it was irresponsible to even consider such a bill, which he said spent too much money on big grain and cotton farmers, undermined the American trade position, and spent too much money in a time of war." Combest reportedly was quick to reply that the House "would move ahead with his bill despite criticism from the Senate and the administration."

The interchange between two Republicans gives some insight into the differing approaches the two chambers are taking to the task of writing a farm bill to replace Freedom to Farm. The House approach was to use Freedom to Farm as a base, add oilseed crops, make changes in fixed decoupled (AMTA) rates, keep LDPs, reintroduce target prices and counter-cyclical payments, and increase payment limitations.

In describing the Senate's approach, Harkin said, "When we began the process of crafting a new farm bill we decided that the policy needed to be both a significant change from past policies and had to be a bipartisan approach. With today's announcement we have set a solid foundation for achieving both these goals."

Where the House proposal is strong on specific numbers and programs, the Harkin/Lugar proposal is still in the concept stage and contains no numbers. In that way the Senate proposal is similar to the paper recently released by the Department of Agriculture. In addition, many of the concepts in the Senate Ag Committee's bipartisan set of objectives resonate with the concepts contained in USDA's paper. The biggest differences between the Senate Ag Committee leadership and administration proposals are in the emphasis they give to various concepts.

The objectives put forth by Harkin and Lugar begin with the need to improve farm income opportunities. Without going into specifics, they talk about providing reasonable protection against damaging changes in eco-

nomic conditions for agricultural producers actively involved in farming and ranching. Some sectors of the agricultural community will be happy to hear the senators talk about promoting improved incomes through fair, open and competitive markets as well as through new and expanded markets and marketing opportunities and arrangements.

The second key concept included in their objectives is the promotion of conservation on agricultural and forest lands. While the objectives are vague, one can predict that this portion of the Senate's farm bill will look much like Harkin's Conservation Security Act of 2001 with its three tiers of payments. One key item in this section seems to recognize that part of the problem facing agriculture is overproduction at the present time. It calls for "increased support for agricultural conservation, while striking a proper balance between compensation for land retirement and voluntary incentive-based programs for land in agricultural production.

The objectives also deal with excess production capacity by promoting the development, production and use of farm-based energy and industrial raw materials. This could provide some demand for agricultural products that would be more responsive to price changes than food and food products with relatively fixed demands. The goal would be to help farmers, farmer-owned enterprises, and rural businesses earn income through production and use of farm-based renewable energy in order to promote rural economic development, increase energy security, and provide environmental benefits.

Usage of surplus production would be further encouraged through improving assistance to fight hunger in the United States and abroad. This would include strengthening the national nutrition safety net, encouraging gleaning, discouraging food waste, and increasing U.S. foreign food assistance to meet humanitarian needs.

The export objectives in the Harkin/Lugar proposal call for the removal of all unilateral restrictions on exports of food and medicine, the provision of additional resources for market promotion and development, enhanced technical assistance, and improving market access.

Until the bipartisanship spirit spans across the Capital's dome, the exact nature of the next farm bill is difficult to predict. My guess is that Congress will want to "do more" as suggested by the Senate Ag Committee leadership "with less" money than the House Ag Committee is willing spend.

Daryll E. Ray holds the Blasingame Chair of Excellence in Agricultural Policy, Institute of Agriculture, University of Tennessee, and is the Director of the UT's Agricultural Policy Analysis Center. (865) 974-7407; Fax: (865) 974-7298; dray@utk.edu; http://agpolicy.org.