

PolicyPennings by Dr. Daryll E. Ray

Farm bill issues awaiting Senate consideration

With Congress in recess we will have to wait until at least September to see the details of the Senate's farm bill proposal. In the interim, those who were disappointed with the recently passed House legislation are hoping that they will be able to get some of their reforms written into the Senate's bill.

It seems certain that the Senate legislation will include stronger support for Agriculture Committee Chair Tom Harkin's Conservation Security Program. Although it was a part of the 2002 Farm Bill that Harkin shepherded, it has not been fully implemented. In the House version of the farm bill, funding for the program was put off until 2012. In an interview Harkin said, "We need to support new practices on working lands and reverse some of the budgetary damage done to the Conservation Security Program."

Senators Dick Durbin and Sherrod Brown are trying to reform farm legislation with their Farm Safety Net Improvement Act which is a revenue insurance program. While this program offers some protection for single-year events like floods and droughts, it provides a declining level of protection during sustained periods of low prices like 1998-2001.

Concerns about agriculture in the Northeast have been expressed by Senator Charles Schumer. He is sponsoring legislation that would increase marketing assistance to "encourage the use of local and American produce." The legislation also includes a crop insurance provision to ensure that farms in the Northeast "have access to better risk management tools."

While WTO compliance was of major concern a year ago, the stalling of trade negotiations has reduced interest in considering possible future trade rule changes in current farm bill discussions.

As Saxby Chambliss, Ranking Member of the Senate Agriculture Committee recently said, "We are going to abide by trading rules that we have to live by and the decisions that have come out of WTO, but what I can also tell you is we're not about to let the WTO write this farm bill."

The National Family Farm Coalition, the National Catholic Rural Life Conference and a number of other groups are supporting the establishment of a grain reserve program that would provide bottom-side price protection for farmers while ensuring the availability of storable crops in the event of a sharp reduction in production or sharp increase in demand.

The question of farm payment limitations is also on the table. The House set the basic income cap at \$1 million as opposed to the \$250 thousand proposed by the administration. By reducing the income eligibility limit, the Senate would free up additional funds that could be used to fund changes in other programs.

The current high prices and projections that these prices will continue for the next ten years have resulted in a lower budget baseline than would have otherwise been available to legislators. This in turn has severely crimped the ability of legislators to respond to new concerns on food and agricultural policy. Harkin has indicated that he is willing to seek additional funding for the farm bill saying, "We can't afford to settle for an extension of the status quo—not in terms of budget and not in terms of policy."

Daryll E. Ray holds the Blasingame Chair of Excellence in Agricultural Policy, Institute of Agriculture, University of Tennessee, and is the Director of UT's Agricultural Policy Analysis Center (APAC). (865) 974-7407; Fax: (865) 974-7298; dray@utk.edu; <http://www.agpolicy.org>. Daryll Ray's column is written with the research and assistance of Harwood D. Schaffer, Research Associate with APAC.

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