

Policy Pennings by Dr. Daryll E. Ray

Gleaning the shape of the new farm bill

A year or a year and a half from now Congress will be putting the final touches on the 2007 Farm Bill. In the meantime, farmers and farm policy analysts are gleaning the words of administration and congressional leaders for any hints that may give us an inkling of the concepts that will shape the forthcoming legislation.

As it identifies its legislative priorities, the USDA has been conducting a series of farm policy forums across the nation. As of October 12, 2005, forums have been held in 26 states with 17 of them being hosted by Secretary of Agriculture Mike Johanns. In an October 2, 2005 speech Johanns shared some thoughts on what he had heard to that point, while making it clear that his “thoughts should not be considered an outline of farm policy for the next farm bill. With that caveat in mind, let us look at some of the things he said.

While not calling for payment limitations, Johanns raised questions about a farm policy in which “eight percent of all farms [receive] fifty percent of government payments. He indicated that one consistent theme of the forums that have been held is “frustration about the lion’s share of federal farm support being focused on large operations. Tied in with this is a concern that young people are finding it difficult to enter farming unless they marry into or inherit a farm. He associated high farm support programs with increasing the cost of land, thus making it difficult for those who want to start farming.

“Let me be clear that the WTO will not write our next farm bill,” Johanns said, “but we must show leadership in the area of support program policy to gain market access in other countries.” A little later in his speech he said,

“There is no doubt in my mind that we can show tremendous support of agriculture without trade-distorting subsidies.” To offer that support to agriculture in the absence of trade-distorting subsidies, Johanns offers exports based on access.

Johanns says, “America’s farmers and ranchers can compete with any farmer or rancher in the world if given a fair opportunity.” After all we must remember that 95 percent of all consumers live outside the borders of the United States. In calling for fair trade policies, Johanns is falling back on a line that we have heard at least since the run-up to the 1985 Farm Bill and the promise of policies that would restore our export markets. As Johanns says, “A true safety net for all of agriculture is much more than subsidies. It is good farm policy that opens real and substantial market access.”

At the same time that Johanns is calling for market access he is saying, “our producers play a vital role in providing our country with the security we need to be leaders of the free world” by “providing the safest most abundant food supply in the world.” If we believe that in the US domestically produced food staples equals security, what makes us think that leaders in most other countries of the world don’t have a similar perception about food and security for their own countries, especially when from 60 to 85 percent of their population consists of farmers?

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.

Originally published in *MidAmerica Farmer Grower*, Vol. 22, No. 41 October 14, 2005
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 37996-4519