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81-15, Senate Passes Farm Bill Conference Agreement

Posted By [Keith Good](#) On May 16, 2008 @ 4:46 am In [Farm Bill](#), [Food Prices](#), [Audio](#) | [Comments Disabled](#)

[Congressional Quarterly](#) reported yesterday that, "Brushing aside a presidential veto threat, the Senate on Thursday cleared a \$289 billion, five-year farm bill that significantly increases nutrition spending while preserving crop subsidies.

"By [81-15](#), the Senate adopted the conference report on the bill. [The House](#) had taken the same step a day earlier, by 318-106.

"In both chambers, the votes comfortably exceeded the two-thirds majority of those present and voting that would be required to override a veto by President Bush.

"Only a handful of lawmakers even came to the floor to criticize the massive measure, which would reauthorize crop subsidies, tighten income eligibility limits for payments, boost funding for food stamps, expand conservation programs and offer new incentives for alternative energy."

To listen to a FarmPolicy.com audio recap of yesterday's action in the Senate, just [click here](#) (MP3-6:57).

The [audio summary](#) (MP3) includes remarks from Senate Majority Leader Harry Reid (D-Nev.), Sen. John Thune (R-SD) and Sen. Sherrod Brown (D-Ohio).

Prior to yesterday's Senate action, Deputy Secretary of Agriculture Chuck Conner and Senate Ag Committee Chairman Tom Harkin (D-Iowa) discussed the Farm Bill on C-SPAN's public affairs program, [Washington Journal](#) (May15).

To listen to audio excerpts from yesterday's C-SPAN program by Dep. Sec. Conner, [just click here](#) (MP3-5:40); while audio excerpts from Chairman Harkin can be [heard here](#) (MP3-4:54).

After the vote, Chairman Harkin issued a [press release](#), which noted in part that, "'Today, I urge the President to look at this farm bill with fresh eyes and an objective mind. To date, he has focused on a handful of elements in this vast bill that he disagrees with. I urge him to look at the bill as a whole, and to see the many critical investments and reforms in this bill that have won support from both parties, from every region of the country, and from rural and urban members of Congress alike. If he does, I am confident he will conclude that this is a good bill that he can and should sign.'"

[David M. Herszenhorn](#) reported in today's New York Times that, "The Senate on Thursday approved a five-year, \$307 billion farm bill with wide bipartisan support, virtually sealing President Bush's defeat in a battle over agriculture policy.

"Mr. Bush has promised to veto the bill because he says it would not do enough to limit subsidies at a time of record grain prices. His advisers said Thursday that he had every intention of making good on that vow."

The Times explained that, "Although the measure is universally known as the farm bill, it has far more money to feed the poor, including \$209 billion for nutrition programs like food stamps and food banks, according to the Congressional Budget Office, compared with \$35 billion for agricultural commodity programs."

Mr. Herszenhorn noted that, "Mr. Bush's objections include the failure of the bill to do enough to limit subsidies, which he has said are difficult to justify in such flush times for producers.

"The administration had sought an income cap of \$200,000 above which farmers could not qualify for farmer-subsidy payments. The bill sent by Congress limits farm income to \$750,000 and non-farm income to \$500,000.

"The \$750,000 limit would apply just to so-called direct payments that are disbursed based on acreage, regardless of market conditions or whether the land is actively farmed. The \$500,000 limit

applies to all programs.

"Currently, there is no limit on farm income to qualify for payments. The limit on non-farm income is \$2.5 million."

For more details with respect to payment limit issues, see [this Reuters news article](#) from yesterday, which stated that, "Payment limits are a perennially divisive issue, pitting cotton and rice growers in the South against wheat, corn and soybean farmers in the Midwest and Plains states, and big operators against small farmers. Cotton and rice have the highest support rates but also high costs of production."

The Reuters article went on to include a bullet point summary of "the limits proposed by the farm bill, the Bush administration proposal and current law."

[David Rogers](#) reported yesterday at Politico.com that, "The wide margins contrast with the months of often tortured negotiations over a massive bill that promises record funding for nutrition programs but has faced a steady drumbeat of criticism for its failure to impose tougher reforms on the current subsidy system."

"New payment caps are imposed to bar the very wealthiest farmers and limit how much individuals can receive in annual direct payments from the government. But critics argue that these are token changes at a time when farmers could afford deeper spending cuts and taxpayers are facing higher food prices at the grocery store."

"In a period when crop prices and farm incomes are soaring to record levels, the continuation of bloated subsidies to the largest, most prosperous farms in the country can only be seen as a breathtaking cop-out on the part of congressional leaders," said Ken Cook, president of the Environmental Working Group, a Washington-based nonprofit."

[J. Taylor Rushing](#) reported yesterday at The Hill Online that, "The only Democrats to oppose the bill were Jack Reed and Sheldon Whitehouse, both of Rhode Island."

"All three presidential candidates missed the vote. Democratic candidates Sens. Barack Obama (Ill.) and Hillary Rodham Clinton (N.Y.) released statements of support for the bill, and both criticized GOP candidate Sen. John McCain (Ariz.), who had said he would veto the bill if he were president."

"Democrats crowed over the vote and its margin. Chairman Tom Harkin (D-Iowa), for example, called it 'a banner day for America.'"

"Republicans, many of whom were in the awkward position of defending the president while supporting the bill, were more glum."

"I would hope the president is listening," said Sen. Norm Coleman (R-Minn.), who voted for the farm bill. He is one of several GOP senators who face tough reelection contests this fall."

The Hill article noted that, "The Republicans who voted against the bill were Sens. Bob Bennett of Utah, Tom Coburn of Oklahoma, Jim DeMint of South Carolina, Pete Domenici of New Mexico, Jon Kyl of Arizona, Lisa Murkowski of Alaska, Susan Collins of Maine, John Ensign of Nevada, Judd Gregg and John Sununu of New Hampshire, Chuck Hagel of Nebraska, Richard Lugar of Indiana and George Voinovich of Ohio."

DTN Political Correspondent Jerry Hagstrom reported yesterday ([link requires subscription](#)) that, "Mary Kay Thatcher of the American Farm Bureau Federation told reporters that White House political aide Barry Jackson and Deputy Agriculture Secretary Chuck Conner had told farm leaders in a conference call May 13 that Bush and his deputies would try to stop the Congress from overriding the veto. Thatcher said the White House might convince some Republicans to vote against overriding a presidential veto, but 'not 28' — the number of votes that the bill got over the 290 needed for a veto override in the House."

[Philip Brasher](#) noted yesterday at The Des Moines Register Online that, "The measure would extend the current system of subsidies for grain and cotton farmers and add new options for growers, including a revenue-protection plan sought by corn growers and a disaster-relief program wanted by farmers in drought-prone states."

"The bill also increases spending for fruit and vegetable farmers, land-conservation programs, food stamps and bioenergy development."

Editorial reaction to the legislative branch passage of the Farm Bill also appeared in today's papers.

The New York Times [editorial board](#) indicated that, "President Bush should keep his promise to veto it and demand better legislation.

"The bill is an inglorious piece of work tailored to the needs of big agriculture and championed by not only the usual bipartisan farm state legislators but also the Democratic leaders, including Senate Majority Leader Harry Reid and House Speaker Nancy Pelosi. Every five years we get a new farm bill, and each time we are reminded that even reformers like Ms. Pelosi cannot resist the blandishments and power of the farmers.

"The bill includes the usual favors like the tax break for racehorse breeders pushed by Mitch McConnell of Kentucky, the Senate minority leader. But the greater and more embarrassing defect is that the bill perpetuates the old subsidies for agriculture at a time when the prices that farmers are getting for big row crops like corn, soybeans and wheat have never been better. Net farm income is up 50 percent.

"The legislation preserves an indefensible program of direct payments amounting to about \$5 billion a year that flow in good times and bad. It raises support levels for wheat and soybeans, while adding several new crops to the list in a way that will make it easier for farmers to raid the federal Treasury even when prices go up."

And the [editorial board](#) at The Washington Post stated today that, "The farm bill is the epitome of old-style Washington politics. A small number of farm-state senators from both parties demanded its most wasteful provisions, such as guaranteed payments to big cotton and rice growers and 'disaster relief' for farmers in arid areas. These members of the less-representative body leveraged their right to filibuster into billions of dollars for people who are better off than the average taxpayer. The bill includes only the most tepid reforms, which, though trumpeted by the bill's advocates, deny benefits to only a tiny handful of farms."

Food Prices

The U.S. Senate Committee on Foreign Relations held a hearing on Wednesday, entitled, "Responding to the Global Food Crisis." Complete details, including a video replay of the hearing, can [be found here](#).

And yesterday, the House Small Business Committee held a hearing entitled, "Food Prices and Small Businesses." A witness list and opening statements from this hearing can be [found here](#), while extensive video clips from yesterday's hearing can be found at [this YouTube web link](#).

Meanwhile, [Javier Blas](#) reported on Wednesday at the Financial Times Online that, "The soaring food prices that have triggered global political and economic turmoil over the past year have finally shown the first tentative signs of stabilising.

"The United Nation's Food and Agriculture Organisation food price index, considered the best measure of global food inflation, saw its first decline in 15 months in April, as wheat, dairy, sugar and soyabean prices fell.

"Jose María Sumpsi, the FAO's assistant director-general, told the Financial Times earlier this week that with the exception of corn and rice, food inflation appeared to be 'reaching its peak', although he did not expect prices to start falling."

[Javier Blas](#), in a separate article, reported on Thursday at the Financial Times Online that, "Since last summer, cereals – in particular wheat and corn – have become synonymous with rising prices as the cost of both crops escalated to record highs.

"But the bond between both cereals has broken in recent weeks.

"Wheat is divorcing from corn,' says Greg Grow, a broker at Archer Financial Services in Chicago. While corn prices are up nearly 53 per cent in the last six months, wheat prices have fallen almost 19 per cent in the same period.

"The diverging trend could influence agricultural commodities – and global food inflation – in the following months. The question, says Abdolreza Abbassian, a grains expert at the UN's Food and Agriculture Organisation in Rome, is whether a bearish outlook for wheat would override the bullish picture for corn or vice versa."

The FT article noted that, "For the moment, analysts are betting that wheat's bearish outlook could prevail.

"The reason is that they expect even lower wheat prices as a record harvest in the northern hemisphere approaches and, crucially, because the exporting countries which imposed trade restrictions – such as Ukraine – would lift the barriers as a higher crop and lower prices prompt them to compete to secure export markets.

"Viktor Yushchenko, Ukraine's president, yesterday urged its government to cancel all export restrictions for grains by the end of this week. The move comes only two weeks after the country had started to significantly ease such barriers."

The [Associated Press](#) reported yesterday that, "Wheat for July delivery rose 7.5 cents to \$7.715 a bushel; July corn added 2.75 cents to \$5.99 a bushel; July soybeans dropped 32 cents to \$13.475 a bushel."

And [Susan Buchanan](#) reported in today's Wall Street Journal that, "RICE: Prices on the Chicago Board of Trade continued their slide for a third straight day as the market continues to backtrack from its previous rally amid signs of ample world supplies of the grain. July rice fell the exchange-set limit of \$1.15 to settle at \$20.34 per hundredweight."

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