



U.S. likely to extend old farm law after House derails new bill

By: Charles Abbott- June 21, 2013

The Congress is headed for a second stop-gap extension of current farm law if Republican leaders in the House of Representatives cannot get new legislation back on track after a stunning defeat.

Farm lobbyists and analysts on Friday said a short-term extension was the easiest resolution of the previous day's legislative chaos, which derailed Republican plans for major reform to crop subsidies and food stamps.

As the debate rolls on, there will be no impact on food stamps, which account for about 75 percent of farm bill spending, and crop insurance, now the largest part of the safety net for farmers.

Both programs are permanently authorized and would stay in operation if the current law is allowed to lapse, funded via annual appropriations bills.

On Thursday, the House, in an unprecedented step, defeated the five-year, \$500 billion bill after Republican leaders were unable to get the votes they expected from fiscally conservative members of their party's Tea Party wing.

Congress is months late in writing a new farm law, broad-spectrum legislation that governs crop subsidies, public nutrition, soil conservation, international food aid, rural development and agricultural research programs.

After an emergency extension at the end of 2012 that runs through September 30, the farm law would revert to an underlying "permanent" 1949 law if new action is not taken.

Among other outcomes, milk prices in the grocery store would double due to the high commodity prices guaranteed to farmers by the 1949 law. That scenario, nicknamed the "Dairy Cliff," sparked lawmakers into action at the end of 2012.

Although the Democratic-run U.S. Senate passed its farm bill by a bipartisan 66-27 vote last week, the House, with its Republican majority, split into three factions on Thursday, denying a majority of votes for a new farm bill. The House version of the bill was defeated, 234-195.

Tea Party Republicans broke ranks with their leaders - notably Speaker John Boehner and Majority Leader Eric Cantor - to vote against the bill because they wanted deeper cuts. Democrats opposed the bill's hefty cuts to food stamps.

"They (Republican leaders) just have no path forward," said Ferd Hoefner of the National Sustainable Agriculture Coalition, a small-farm advocate.

He said an extension of the 2008 law or passage of a "mini farm bill" with only a few changes from 2008 law were the most likely result "until the politics of the country calm down."

Farm lobbyists also viewed an extension as the simplest option.

There are also several other potential routes forward, including reviving the current House bill or using the Senate version as a vehicle to write a final compromise version of the farm law.

But any of these scenarios eventually would require a majority vote in the House, and that looks doubtful after Thursday's chaos.

"That's a Speaker question," said analyst Mark McMinimy of Guggenheim Partners, referring to Boehner. A spokesman for Cantor, meanwhile, said Republican leaders have not decided on a next step.

McMinimy said top Republicans might look for modifications to swing enough votes to the bill to pass it. But even if the original House bill were to pass, there would have to be a conference to reconcile the House and Senate versions of the bill, followed by another vote in each chamber.

Boehner and Cantor voted for the bill, which included lower limits on farm subsidies and the biggest cut in food stamps in a generation. But one-fourth of House Republicans voted against it, including Bob Goodlatte of Virginia, a former Agriculture Committee chairman.

The 62 Tea Party-influenced Republicans joined 172 Democrats to ensure the stunning defeat of the bill. House Democratic Leader Nancy Pelosi called the outcome "amateur hour" for Republicans because of their inability to work together.

"They are going to have to make a decision on how to proceed," said Massachusetts Democrat Jim McGovern, who led the fight against food stamp cuts. McGovern said Republican leaders either must compromise with Democrats or try to satisfy Tea Party Republicans who "don't believe in the public sector."

Fiscal conservatives such as Republican Marlin Stutzman of Indiana say the farm bill should be split into two bills, one covering farm programs and the other covering food stamps. They want big budget cuts and reforms in Agriculture Department programs, especially food stamps.

Liberal-leaning and conservative groups each claimed victory from the failed farm bill vote.

Sallie James of the libertarian Cato Institute said defeat of the farm bill showed the demise of the coalition between rural and urban lawmakers that carried such legislation to passage in the past.

The "key to ending the role of government in agriculture once and for all," James said, would be repeal of the 1949 "permanent" farm law. The threat of reverting to the high supports and production controls of the 1949 law often motivates Congress to pass a farm bill.