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Senate budget plan cuts crop insurance, not program payments

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The Senate Budget Committee mark-up session Thursday afternoon on its federal 2010 budget resolution spelled out clear differences – and ended with a solid endorsement of President Obama’s budget priorities: education, energy, health care, and deficit reduction. The committee’s final 13-10 party-line vote approved the budget alternative offered by Committee Chair Kent Conrad (D-ND) which supports the priorities while reducing federal deficits by \$2.4 billion over ten years compared with the President’s budget proposal.

The glaring exception to straight party-line votes on amendments was when southern Republican Senators joined Democrats in voting against an amendment that would have added the President’s proposal to cap farm payment payments at \$250,000 per individual. Senator Chuck Grassley (R-IA) defended his payment cap amendment: “We’ve got a situation where 10% of the biggest farmers are getting 72% of the benefits of the farm programs and when you subsidize big farmers to get bigger, it is creating a very serious problem of public relations for a safety net for farmers, and everybody agrees that we ought to maintain a safety net.”

Conrad commented that “my own views are actually quite sympathetic to the amendment of the Senator from Iowa.” But he said that as committee chairman, he had to take a broader view. He explained “The problem with the amendment of the Senator is frankly, it is unfair regionally. Our southern colleagues, both Democrats and Republicans, are adamantly opposed to the gentleman’s amendment.”

Grassley’s direct-payment cap amendment failed in a 10-13 vote. Then the committee voted 14 to 9 to approve Conrad’s alternative which promises \$70 million in savings per year by having the government negotiate better deals with insurance companies for the federal crop insurance program. Conrad explained that “I am a very strong supporter of crop insurance. These are savings that we believe can easily be achieved from the crop insurance system without damaging either farmers, or insurance agents, or the insurance companies.” He said half of the five-year \$350 million in savings “would go for deficit reduction, just as in Senator Grassley’s amendment, half would go for child nutrition just as in Senator Grassley’s amendment.”

In the vote on Grassley's amendment to cap farm program payments at \$250,000, Republicans Michael Enzi (WY), John Ensign (NV), Judd Gregg (NH), and Chuck Grassley (IA) joined forces with Democrats Russ Feingold (WI), Robert Menendez (NJ), Benjamin Cardin (MD), Sheldon Whitehouse (RI), and Jeff Merkley (OR) and Independent Sanders (VT) in favor of the cap. Voting against were Republicans Lamar Alexander (TN), Jim Bunning (KY), John Cornyn (TX), Mike Crapo (ID), Lindsey Graham (SC), and Jeff Sessions (AL) joined by Democrats Robert Byrd (WV), Kent Conrad (ND), Patty Murray (WA), Bill Nelson (FL), Debbie Stabenow (MI), Mark Warner (VA), and Ron Wyden (OR).

Conrad assured concerned senators that his budget does not reduce conservation program funding.

Before the committee approved the Conrad budget in its final 13-10 party-line vote, the committee's Ranking Member Judd Gregg (R-NH) warned that "We don't think prosperity can be generated by a government that spends too much, taxes too much and borrows too much. . . The tax burden, rather than being used to reduce the deficit as occurred under President Clinton when he raised taxes, is being used to expand the size of the government and move to the government to the left." He charged that the Conrad budget "has the effect of radically moving government to the left, having too much spending, too much in the way of taxes, and basically burying our children and our children's children under a wall of debt."

Conrad responded that along with supporting President Obama's energy, education, health care, and deficit reduction priorities, his alternative budget "reduces the deficit by 2/3rds by the fifth year. That gets us down to a level of deficit, less than 3% of GDP, which the experts say will stabilize the debt." Directly rejecting Gregg's dire warnings, Conrad concluded that "I have a more optimistic view of America's future. I believe this country will recover, will rebuild, and will reestablish its preeminent position in the world."

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