



September 28, 2007

## Ag Committee Democrats discuss potential farm bill scenarios

By Sara Wyant, Agri-Pulse Editor

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After a series of meetings this week, Democrats who serve on the Senate Agriculture Committee started to come to grips with the daunting task of writing a new farm bill and the harsh financial reality: a long list of new funding requests and a smaller budget baseline.

**“We realized that there is a lot of hard work ahead and everybody’s got to give a little,”** emphasized Sen. Blanche Lincoln in an interview after Thursday’s meeting. “The fact that we are finally having meetings is a very positive thing,” she added.

Senate Agriculture Harkin proposed a potential spending scenario (see box) which would provide **over \$18 billion in “new” funds for expanding several farm bill titles.** Those enhancements would be funded by \$4.5 billion in cuts from direct payments, \$5.68 billion in reductions from existing farm bill programs, such as crop insurance, and “new” revenues which could be generated by the Senate Finance Committee.

These numbers are not cast in stone, but “represent snapshots of a discussion at different points of time and a range of opinions on where we can go to get savings,” says Harkin’s spokesperson Kate Cyril.

Senator Kent Conrad (D-ND), who is widely rumored to be developing his own farm bill options, circulated a different set of scenarios during these meetings. **Conrad’s discussion draft looked at three different options:** no cuts indirect payments, \$1.0 billion in direct payment cuts and \$1.5 billion in direct payment cuts, according to sources who shared a copy of his discussion draft with *Agri-Pulse*.

### Sen. Harkin’s Farm Bill Spending Scenario (All Numbers in Billions)

Permanent Disaster	\$ 5.000
Commodities	\$ 0.500
Specialty Crops	\$ 0.900
Nutrition	\$ 4.200
Energy	\$ 2.000
Rural Development	\$ 0.750
Conservation	\$ 4.000
Trade	\$ 0.500
Research	\$ 0.200
Credit	\$ 0.030
Miscellaneous	\$ 0.100
<b>Total</b>	<b>\$18.180</b>
Accepted offsets	\$ 5.680
Finance Committee*	\$ 8.000
Direct payment savings	\$ 4.500
<b>Total</b>	<b>\$18.18</b>

\*Assumes \$5 billion for a permanent disaster program and \$3 billion for other

Although the text did not spell out how the cuts would be made, Conrad has previously discussed reducing direct payments when commodity prices exceed the cost of production --- similar to some of the scenarios we published in the 9-19-07 edition of *Agri-Pulse*.

With no reductions in direct payments, Conrad proposed spending \$1.5 billion more for commodities and specialty crops, \$3.3 billion for conservation, \$350 million on trade, \$4.2 billion on nutrition and \$1.07 billion more for energy. In the other two scenarios, Conrad's draft suggests slightly more for commodities and specialty crops, conservation and would provide \$100 million more for rural development. No additional funds would be allocated for credit, research or forestry.

Conrad's proposal also suggests three different levels in cuts from existing farm programs ranging from \$7.35 billion to \$7.42 billion. His text assumes that an additional \$3 billion would be available from Senate Finance Committee actions.

Senator Harkin still hopes to mark up the farm bill next week, Cyril said, but the Senate Finance Committee's markup of a revenue package will likely have a major influence on the schedule. That committee is scheduled to meet next Wednesday.

In related news, a coalition of farm, conservation and nutrition groups circulated a letter, urging Senate leaders to speed up the process. **"It is critical that the Senate develop omnibus farm legislation as soon as possible in order to assure enactment of a new farm bill this year,"** the groups have wrote. The letter says extending the 2002 farm bill is unacceptable because "extension is only a short-term solution that does not provide the assurances that the nutrition, agriculture and conservation communities need for efficient long-term planning."

The letter was signed by the American Farm Bureau Federation, American Soybean Association, America's Second Harvest, Congressional Hunger Center Food Research Action Center, National Association of Conservation Districts, National Barley Growers Association, National Farmers Union, National Sunflower Association, USA Dry Pea and Lentil Council, and the U.S. Canola Association

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