Senate Passes Half-Trillion Dollar Farm Bill

MARY CLARE JALONICK, Associated Press

WASHINGTON (AP) — The Senate on Monday passed a five-year, half-trillion-dollar farm bill that expands government subsidies for crop insurance, rice and peanuts while making small cuts to food stamps.

Sen. Debbie Stabenow, D-Mich., chairwoman of the Senate Agriculture Committee, speaks to reporters as the Senate votes on a farm bill that sets policy for farm subsidies, food stamps and other farm and food aid programs for the next five years, at the Capitol in Washington, Monday, June 10, 2013. At rear is Sen. John Hoeven, R-ND. Officially known as the Agriculture Reform, Food and Jobs Act of 2013, the agriculture policy measure would cost taxpayers $100 billion annually with the bulk of that amount allocated to the federal food stamp program which helps low-income families buy food. **(AP Photo/J. Scott Applewhite)**

The bill passed on a bipartisan 66-27 vote. The legislation, which costs almost $100 billion annually, also would eliminate subsidies that are paid to farmers whether they farm or not. All told, it would save about $2.4 billion a year on the farm and nutrition programs, including across-the-board cuts that took effect earlier this year.

Senate Agriculture Chairwoman Debbie Stabenow, D-Mich., said the bill would support 16 million American jobs, save taxpayers billions and put into place "the most significant reforms to agriculture programs in decades." But it would still generously subsidize corn, soybeans, wheat, cotton, rice, sugar and other major crops grown by U.S. farmers.

The legislation, similar to a bill the Senate passed last year, would also set policy for programs to protect environmentally sensitive land, international food aid and other projects to help rural communities.

House Speaker John Boehner, R-Ohio, said Monday that his chamber will take up its version of the farm bill this month. Debate in the House is expected to be contentious and much more partisan than in the Senate, with disagreements over

domestic food aid that makes up almost 80 percent of the bill's cost.

Last year, the House declined to take up the legislation during an election year amid conflict over how much should be cut from the food stamp program, which now serves one in seven Americans and cost almost $80 billion last year. That cost has more than doubled since 2008.

The bill approved by the House Agriculture Committee last month would make much larger cuts to food stamps than the Senate version, in a bid to gain support from those House conservatives who have opposed the measure. The Senate bill would cut the food stamp program, now known as the Supplemental Nutrition Assistance Program, or SNAP, by about $400 million a year, or half a percent. The House bill would cut the program by $2 billion a year, or a little more than 3 percent, and make it more difficult for some people to qualify.

In his statement Monday, Boehner signaled support for the House bill's level of food stamp cuts, saying they are changes that "both parties know are necessary." Other Republicans are expected to offer amendments to expand the cuts, setting up a potentially even more difficult resolution with the Senate version.

On the Senate floor, senators rejected amendments on food stamp cuts, preserving the $400 million annual decrease. The bill's farm-state supporters also fended off efforts to cut sugar, tobacco and other farm supports.

Senators looking to pare back subsidies did win one victory in the Senate, an amendment to reduce the government's share of crop insurance premiums for farmers with adjusted gross incomes of more than $750,000. Sens. Dick Durbin, D-Ill., and Tom Coburn, R-Okla., said their amendment would affect about 20,000 farmers.

Stabenow argued the amendment would result in fewer people buying insurance and undercut a separate provision in the bill that would require farmers buying crop insurance to comply with certain environmental standards on their land.

Currently the government pays for an average 62 percent of crop insurance premiums and also subsidizes the companies that sell the insurance. The overall bill expands crop insurance for many crops and also creates a program to compensate farmers for smaller, or "shallow," revenue losses before the paid insurance kicks in.

The crop insurance expansion is likely to benefit Midwestern corn and soybean farmers, who use crop insurance more than other farmers. The bill would also boost subsidies for Southern rice and peanut farmers, lowering the threshold for those farms to receive government help.

The help for rice and peanuts was not in last year's bill but was added this year after the agriculture panel gained a new top Republican, Mississippi Sen. Thad Cochran. Critics, including the former top Republican on the committee, Kansas Sen. Pat Roberts, said the new policy could guarantee that the rice and peanut farmers' profits are average or above average.

"This bill looks in the rearview mirror for outdated policies that cause the farmer to plant for the government and not the market," Roberts said after the Senate vote.

Other critics said the bill would subsidize large corporate farms when farm country is in the middle of an economic boom. Scott Faber of the Environmental Working Group, an advocacy group that has long criticized farm subsidies, said the legislation would simply redirect subsidies and "needlessly cut nutrition and conservation programs designed to help the hungry and the environment."

Boehner criticized farm subsidies in the House bill, which are similar to those in the Senate bill, saying his "concerns about our country's farm programs are well known." Boehner, a former member of the agriculture panel, has voted against recent farm bills. But he acknowledged that the rest of the chamber might not agree with him.

"If you have ideas on how to make the bill better, bring them forward," Boehner said in a statement directed to his colleagues. "Let's have the debate, and let's vote on them."

The Senate bill also would:

- Overhaul dairy policy by creating a new insurance program for dairy producers, eliminating other dairy subsidies and price supports. The new policy includes a market stabilization program that could dictate production cuts when oversupply drives down prices. The program faced little opposition in the Senate but a similar overhaul in the House bill is expected to face resistance in that chamber, where Boehner last year called the new stabilization program "Soviet-style." He reiterated those concerns in his statement Monday, saying he will support an amendment on the floor to challenge the proposed policy.

- Make modest changes to the way international food aid is delivered, a much scaled-back version of an overhaul proposed by President Barack Obama earlier this year. Senators adopted an amendment that would slightly boost dollars to buy locally-grown food close to needy areas abroad. Currently, most food aid is grown in the United States and shipped to developing countries, an approach the Obama administration says is inefficient but that has support among farm-state members in Congress.

- Consolidate programs to protect environmentally-sensitive land and reduce spending on those programs.

- Expand Agriculture Department efforts to prevent illegal trafficking of food stamp benefits.

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