

New farm bill: No hurry, but lots of worries

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

We have talked with lawmakers, staff aides and key farm group lobbyists over the past few weeks to get a reading on prospects for a new farm bill.

Timing: Extension is the most likely course

Although a concerted effort will be made early in 2023 to take steps for a new omnibus bill, most of our sources predict a one- or two-year extension of the current farm bill. There are several reasons, including a likely GOP takeover of the House. That will mean more hearings, along with staffing changes and other matters that will delay proceedings. Another reason: There's no consensus on how to make the Title I farmer safety net better.

Note: 25% of the Senate will have no experience working on a farm bill; 50% of the House. That means lots of education of new lawmakers and their staffs.

SNAP benefits key to farm bill timing

While some lawmakers may try to cut SNAP/food stamps benefits as part of the farm bill, "we're not going backwards," said Senate Ag Committee Chair Debbie Stabenow (D-Mich.). The deadline for portions of the bill is Sept. 30, 2023, although "oftentimes there has to be an extension. So that may happen," she said.

House Republicans pushed large cuts in SNAP in the 2014 and 2018 Farm Bills, without success, but the efforts delayed the outcome. Bottom line: The best way to get to a farm bill finish line is compromise. Eventually lawmakers get to that, but it typically has not been a straight line.

Food & nutrition: nearly 85% of farm bill spending

The Congressional Budget Office estimates \$1.1 trillion for SNAP/food stamps over fiscal years (FY) 2023-32; just \$168 billion for mandatory programs. That is just one of the reasons why total funding needs to be hiked.

Another worry: More funding to improve safety net

Any indexed-based hike in reference prices for key commodities would cost \$5 billion to \$6 billion, we're told. More funding will be hard but not impossible to get. Meanwhile, some fret GOP leadership will return to a focus on debt, including cuts to entitlement programs. The farm bill could get caught up in that process. It has happened before.

U.S. debt is twice the level it was when lawmakers had to find billions of dollars in savings for a past farm bill.

Thorny issue: Push by some for permanent disaster aid

This is a sensitive topic because few want to oppose it publicly since it would help farmers at least in the short run. But there are major longer-run policy concerns. While several years of ad hoc disaster payments have not impacted the long-established crop insurance program and its delivery system, if farmers know there would be a disaster program in the offing, that could negatively impact participation and buy-up coverage in the current private/public insurance program.

Suggestion: Reform and expand Title I programs so ad hoc disaster funding is not needed, with a few exceptions.

Democrats and Republicans have different focal points

Climate and conservation are key issues for Democrats. The Biden administration is already allowing climate to seep into crop insurance through the 508(h) process. Veteran policy analysts say it is dangerous to mix the two.

GOP focus: Strengthening the farm safety net, including indexing for prices to keep reference prices relevant — Price Loss Coverage, Agriculture Risk Coverage, loan rates, crop insurance, etc. Some want to extend margin coverage but those current policies are not that popular other than in dairy.

More CCC funding pushed by some

Some lawmakers favor significantly increasing the maximum borrowing authority for USDA's Commodity Credit Corporation (CCC). That funding is used for CRP and traditional farm program payments, but also a host of new payments USDA has announced the past few years. Some are wary about CCC because use of the funds is largely at the discretion of the Ag Secretary. USDA can tap CCC for initiatives meeting statutory requirements. Congress cannot tap CCC unless it pays for it.

Farm Bureau highlights some initial wish-list items

- Higher reference prices and loan rates because of the increased cost of production.
- Allow food banks to buy fruits, vegetables and other specialty crops directly from farmers.
- Make more milk eligible for the Dairy Margin Coverage program.
- Lower the CRP enrollment cap from current 25.5 million acres to encourage landowners to return prime cropland to production.