

# Senate Passes Chairwoman Stabenow's 2013 Farm Bill

**Monday, Jun 10**

The U.S. Senate today passed Agriculture Committee Chairwoman Debbie Stabenow's 2013 Farm Bill by a wide bipartisan margin, 66–27. The bipartisan proposal is one of the most significant reforms in decades. The bill cuts \$24 billion dollars in spending in agriculture programs by eliminating unnecessary direct payment subsidies, consolidating programs to end duplication, and cracking down on food assistance abuse.

These reforms will reduce the deficit while allowing for investment in initiatives that help grow Michigan's agriculture economy. Agriculture is Michigan's second largest industry, with nearly one in four jobs supported by agriculture.

"Reforming agriculture programs will save taxpayers billions of dollars while helping Michigan farmers, ranchers and small businesses create jobs," Stabenow said. "Because we worked across party lines to streamline programs, we were able to save tax dollars while investing in initiatives that help boost exports, help family farmers sell locally and spur innovations in new bio–manufacturing and bio–energy industries."

"Congress needs to work across the aisle to help spur job creation and reduce the deficit. I'm proud that the Senate was able to accomplish that with this Farm Bill," Stabenow said.

Stabenow was joined by top Agriculture Committee Republican Thad Cochran (R–Mississippi) in introducing the bipartisan Farm Bill, entitled the Agriculture Reform, Food and Jobs Act. A Farm Bill sets the nation's agriculture policy and must be passed every five years. If a new Farm Bill is not passed by September 30, the U.S. reverts back to 1940s agriculture policy, an antiquated patchwork of costly subsidies and other badly outdated programs.

A summary of the Agriculture Reform, Food and Jobs Act follows.

The Agriculture Reform, Food and Jobs Act of 2013

The Senate's bipartisan 2013 Farm Bill represents the most significant reform of American agriculture policy in decades. With the Agriculture Reform, Food and Jobs Act, the era of direct payments is over. Instead of subsidies that pay out every year even in good times, the bill creates risk management tools that support farmers when they are negatively

impacted by weather disaster or market events beyond their control. By ending unnecessary subsidies, consolidating programs (eliminating over 100 programs and authorizations in all) and cracking down on abuse, the bill reduces the deficit by billions of dollars.

Passing the Farm Bill will yield a total of \$24 billion in cuts to agriculture programs. \$24 billion is over double the amount the bipartisan Simpson–Bowles commission (\$10 billion) and Gang of Six (\$11 billion) recommended in total agriculture cuts.

Agriculture is a bright spot in America's economy. The Senate's 2013 Farm Bill strengthens top priorities that help farmers, ranchers and small business owners create jobs. The current Farm Bill expires September 30th. A new Farm Bill must be passed this year to provide farmers the certainty they need to keep driving our economic recovery. Sixteen million jobs hang in the balance.

Last year's similar Senate Farm Bill passed the Senate with a wide bipartisan vote, 64–35. The Farm Bill is broadly supported by Democrats and Republicans across the country for its major reforms, common sense deficit reduction and strengthened job creation initiatives.

#### Major Reform: Ending Direct Payments; Creating Responsible Risk Management

Farmers face unique risks unlike other businesses. Weather and market conditions outside a producer's control can have devastating effects. Responsible risk management tools help ensure that farmers – and farm jobs – are not wiped out by disasters, and protect all American families from sudden spikes in food prices.

However, for too long farm programs have existed as subsidies that provide payments even when farmers are already doing well. The 2013 Senate Farm Bill reforms farm programs to save taxpayer dollars, while providing farmers with a responsible risk management system that only helps farmers when they experience substantial losses due to events beyond their control. This proposal:

- Eliminates direct payments. Farmers will no longer receive payments when prices are rising and support is not needed. Ending these subsidies and creating responsible risk management is a major shift in American farm policy
- Caps remaining risk management support at \$50,000 per person
- Ends Farm Payments to Non–Farmers. This bill closes the "management loophole," through which people who were not actually farming–in many cases not even setting foot on the farm–were designated as farm "managers" so they could receive farm payments

- Strengthens crop insurance and expands access so farmers are not wiped out by bad weather
- Includes disaster relief for producers hurt by drought, spring freeze, and other weather disasters
- Reforming farm programs, ending direct payments and implementing market-oriented programs to help farmers manage risk saves \$16 billion dollars

### Consolidating and Streamlining Programs

By eliminating duplicative programs, funds are concentrated in the areas in which they will have the greatest impact, reducing the deficit while strengthening top priorities. The Senate Farm Bill eliminates over 100 programs and authorizations under the Agriculture Committee's jurisdiction. For example:

- The bill consolidates 23 existing conservation programs into 13 programs—while maintaining existing tools to protect and conserve land, water and wildlife
- The bill includes a landmark agreement making conservation compliance required for crop insurance, keeping crop insurance strong while protecting the natural resources on which farmers rely.
- Streamlining programs provides added flexibility and focuses conservation around four primary functions: working lands conservation, the Conservation Reserve Program, regional partnerships, and easements to help prevent sprawl and protect wetlands
- These reforms save money while still increasing resources for top priorities
- Because we are truly doing more with less, changes to conservation policies are supported by nearly 650 conservation organizations from all 50 states

### Improving Program Accountability

At a time when many out-of-work Americans are in need of food assistance for the first time in their lives, it is more critical than ever that every dollar go to families in need. By closing loopholes, cracking down on abuse and improving program integrity, the Farm Bill reduces the deficit without cutting standard benefits or removing any needy family from the program. The Senate Farm Bill increases accountability in the Supplemental Nutrition Assistance Program (SNAP) by:

- Stopping lottery winners from continuing to receive assistance
- Preventing states from employing a practice that allows some individuals to claim expenses they don't actually have for the sole purpose of garnering extra benefits above what their actual expenses call for
- Ending misuse by college students whose families are not truly low-income
- Cracking down on retailers and recipients engaged in benefit trafficking

- Increasing requirements to prevent liquor and tobacco stores from accepting food assistance benefits
- The above savings reduce the deficit while continuing support for food banks, seniors' food programs and healthy school lunch initiatives

### Continuing Growth in America's Diverse Agricultural Economy

The Agriculture Reform, Food and Jobs Act increases efficiency and accountability, saving tens of billions of dollars overall, while still strengthening agricultural jobs initiatives through:

- Export opportunities to help farmers find new global markets for their goods
- Help for family farmers to sell locally, increasing support for farmers' markets and spurring the creation of food hubs to connect farmers to schools and other community-based organizations
- Training and access to capital to make it easier for beginning farmers to get off the ground
- Initiatives to help American veterans start agriculture businesses
- Growth in bio-based manufacturing (businesses producing goods in America from raw agricultural products grown in America) to create rural agriculture and urban manufacturing jobs
- Innovation in bio-energy production, supporting non-food based advanced biomass energy production such as cellulosic ethanol and woody biomass power
- Research to promote the commercialization of new agricultural innovations
- Rural development initiatives to help rural communities upgrade infrastructure, extend broadband internet availability and create a better environment for small businesses