

Political Setting

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Background

Based on past experiences, the outcome of farm bill deliberations can be greatly influenced by four factors:

- Congressional leadership
- Administration leadership
- Budget pressures
- Economic conditions in agriculture

With an emphasis on the political setting, this article will focus on the first three of these factors. Another paper in this series provides details the economic conditions within agriculture.

Congressional Leadership

Shifting political pressures

The often-quoted phrase, “all politics are local” has substantial meaning for farm bill development. The initial positions taken by agricultural constituency

groups are heavily influenced by developments at the local level — in the county and state meetings of farm organizations. If you do not believe in the importance of local influence, reflect on the change in philosophy that has occurred within the American Farm Bureau Federation (AFBF). Only a few years ago, AFBF carried the flag, as much as any farm organization, for free trade and substantially reducing the role of government subsidies in agriculture. If any farm organization was “out front” in supporting the philosophy of the 1996 Farm Bill, it was AFBF. Six years later, and under newly elected leadership, AFBF has substantially moderated its stance on the need for government involvement in production agriculture.

In 1996, when farm prices were generally favorable, there was considerably less local pressure for government support for farmers. It was easier for farm organizations to be for freer trade and less government involvement in agriculture. In 2001, when the debate begins, the situation is significantly different — as reflected in the changed AFBF philosophy.

The local politics of government involvement in agriculture has shifted toward an attitude that accepts the need for farm programs given the liquidity pressure on commercial agriculture. The questions for 2001 are: How far has this shift moved the center

of the farm bill debate? How will this shift express itself in terms of policy proposals, and how much farm support will the budget allow? While the last question may have been answered before this paper is printed as congress will likely substantially increase the baseline support for production agriculture over the next decade, the first two are still up in the air.

This shift is reflected in the report of the 21st Century Commission on Production Agriculture which, while still embracing the philosophy of the 1996 Farm Bill, recommended a continuation, even expansion, of government support for agriculture. In addition, at the conclusion of the House Agriculture Committee hearings, it appears that we have unanimous support for increased government involvement through more effective safety nets.

It is this type of pressure, which the new members of Congress face when they return to their local districts and states to discuss farm program issues. It was for this reason that there was little discussion of farm policy issues in the 2000 election. However, avoiding farm policy issues will not be as easy in 2001 and 2002 when the farm bill debate begins in earnest.

An Equally Divided Congress

The writing of the 2002 Farm Bill will be done by the most even split of power between the two parties in the modern history of U.S. politics. While the Senate is nearly equally divided (50 Democrats, 49 Republicans and 1 Independent), the Democrats have, at the time of this writing, control of committee chairs. The Republican majority in the House is equally slim (221 to 212 with two independents). There are at least two important implications from this split:

- The farm bill, like all other legislation, will require bi-partisan support to pass the Congress. Neither party is likely to retain the unanimous support of its members for any legislative action. Consequently, assembling a coalition of members, each of which brings unique constituent concerns and issues to the process, must pass each legislative action.

- The even division of power guarantees that there will be intense competition between the parties in anticipation of the 2002 congressional election. In this environment, Congress and the President are likely to be receptive to the political demands of relatively narrow interest groups that may have an impact on the outcome of elections in individual congressional districts.

House Committee on Agriculture

With the Republicans still in the majority, albeit by slimmer numbers, neither the makeup of the House nor the key leaders have changed significantly. Larry Combest (R-TX) has been the Chair of the House Committee on Agriculture since 1997. Charles Stenholm (D-TX) is the ranking minority member of the committee. The subcommittee chairs also have not changed significantly. The new members of the committee represent much of the same types of districts and commodities as the previous members (Table 1).

The 1996 Farm Bill was decided behind closed doors with the Congressional leadership deeply involved. The 2002 Farm Bill's provisions are being decided in a very different political environment. This will not be so easily accomplished in the 2002 debate because farmers and their organizations will be watching closely due to depressed farm liquidity position. The control issue in 1996 was philosophical — should the United States move toward a more market-oriented policy? In 2002, the question is how to protect a fragile farm economy, while sustaining trade agreement, and recognizing budget issues.

Senate Committee on Agriculture, Nutrition and Forestry

The issues in the Senate are much more difficult to decipher than in the House. The question is how the 50-49-1 split of Democrats, Republicans, and Independent will affect the 2002 Farm Bill. This is an issue that is by no means limited to agricultural legislation. Recent actions that place the Democrats in the leadership will likely pose a different posture

Senate Agriculture Committee Membership

Tom Harkin, IA Chairman	Richard G. Lugar, IN Ranking Republican Member
Patrick J. Leahy, VT	Jesse Helms, NC
Kent Conrad, ND	Thad Cochran, MS
Thomas A Daschle, SD	Mitch McConnell, KY
Max Baucus, MT Blanche Lincoln, AR Zell Miller, GA Debbie Stabenow, MI E. Benjamin Nelson, NE	Pat Roberts, KS Peter Fitzgerald, IL Craig Thomas, WY Wayne Allard, CO Tim Hutchinson, AR
Mark Dayton, MN	Mike Crapo, ID

House Agriculture Committee Membership

Larry Combest, TX Chairman	Charles Stenholm, TX Ranking Minority Member
John A. Boehner, OH	Adam Putnam, FL
Richard W. Pombo, CA	Mark Kennedy, MN
Nick Smith, MI Terry Everett, AL Frank D. Lucas, OK Bob Schaffer, CO Saxby Chambliss, GA Jerry Morgan, KS John R. Thune, SD	Gary Condit, CA Collin C. Peterson, MN Calvin M. Dooley, CA Eva M. Clayton, NC Earl F. Hillard, AL Earl Pomeroy, ND Tim Holden, PA
William L. Jenkins, TN	Sanford D. Bishop, Jr., GA
John Cooksey, LA	Bennie G. Thompson, MS
Gil Gutknecht, MN	John Elias Baldacci, ME
Bob Riley, AL	Marion Berry, AR
Michael Simpson, ID	Mike McIntyre, NC
Doug Ose, CA	Debbie Stabenow, MI
Robin Hayes, NC	Bob Etheridge, NC
Ernie Fletcher, KY Charles Pickering, MS Tim Johnson, IL Tom Osborne, NE Mike Pence, IN Dennis Rehberg, MT	Christopher John, LA Leonard L. Boswell, IA David D. Phelps, IL Ken Lucas, KY Mike Thompson, CA Baron P. Hill, IN
Sam Graves, MO	Joe Baca, CA

for the farm bill debate, although the bipartisanship nature of the farm bill debate remains.

The switch to a Democratic majority placed Senator Tom Harkin (D-IA) as the chairman and Senator Richard Lugar (R-IN) as the minority leader, opposite the case for the 1996 Farm Bill debate. While the 50-50 power agreements are likely to hold through December 31. All bets are off come January 1. Current Senate majority leader, Tom Dashle (D-SD) is expected to play a pivotal role in the 2002 farm bill debate, since he represents a rural constituency that always has a strong interest in agricultural policy.

Traditionally, the Democrats in the Senate have tended to lend stronger support for government subsidies and, particularly, for consideration of inventory management and higher loan rate options. Senator Lugar and especially Senator Pat Roberts, who championed the 1996 Bill in the House, will be put in a weaker position of either defending its provisions or proposing modest changes.

House and Senate Appropriations Committees

It would be a mistake to ignore the role of the House and Senate Appropriations Committees as players in the 2002 Farm Bill debate. The new Chair of the House of Agriculture Appropriations Subcommittee is Congressman Bonilla (D-TX), while Senator Kohl (D-WI), is likely to chair the Senate Appropriations Committee. By exercising their power over funding, the Agriculture Appropriations Subcommittees play a primary role in allocating funds to implement farm bill provisions and, in recent years, adding new commodities to the list of eligible producers. The new commodities that have been provided supplemental payments, in addition to those authorized in the 1996 Farm Bill, include onions, hogs, apples, cranberries, peanuts, honey, wool, mohair, tobacco, and dairy. These new commodity interests will now become part of the 2002 Farm Bill debate as they try to obtain a place in the authorizing legislation for AMTA payments and maintain their share of the farm subsidy pie. While the focal point of the 2002 debate will be in Agriculture Committees, rest assured that the members of the Agriculture Appropriations Subcommittees will put in a bid for

writing a new set of commodities into the 2002 Farm Bill provisions.

Bush Administration Leadership

While the Office of Management and Budget has always played a key role in coordinating the executive branches position on farm bill provisions, USDA has varied widely in its level of involvement in the farm bill debate. For example, Willard Cochrane, as USDA chief economist, was an active designer and advocate of supply management proposals for President Kennedy. Secretary of Agriculture Earl Butz, on the other hand, asserted that it was unwise for the administration to design a farm bill, but worked like a beaver behind closed doors to seek compromises and cut deals for the Nixon Administration, generally forcing less government. During the Clinton Administration, Secretary of Agriculture Dan Glickman adopted a more hands-off approach.

President George W. Bush was elected with the support of the South and the Great Plains. Although little was said in the campaign about farm bill issues and few promises appear to have been made, it is well known that the Administration is oriented toward freer trade. At the same time, the President has pledged to work with both Democrats and Republicans in designing policies. Whether these factors become reality and carry over to the farm bill will be a matter for historians to evaluate. With the recent Democratic control in the Senate, administration involvement may be essential to getting a farm bill out of the Senate in 2002, and any bill that passes the Senate will require bipartisan support. In both the House and Senate, it may be essential to obtaining the type of provisions and level of subsidies that the administration feels it can live with.

Secretary of Agriculture Ann Veneman, from California, will provide USDA leadership for designing the Bush position on the 2002 Farm Bill. Secretary Veneman is a veteran at USDA, having previously been Deputy Secretary and Administrator

of the Foreign Agriculture Service. With this background, she is expected to continue her strong interest in trade issues.

Budget Constraints

For many years during the period from 1970-1997, it was asserted that constraints on the level of government spending determined the outcome of farm policy debates. Farm program provisions were often designed to achieve the level of spending mandated by the Budget Committees. From time to time, set-aside provisions were included as a means of controlling budget costs, since the government did not make deficiency payments on land that was set aside. Thus, set-aside provisions were used as a means of controlling spending despite the fact that some administrations were opposed to supply management. Loan levels and their impact on marketing loan benefits operate in much the same manner because they are made on the basis of production. The higher the loan level, the greater exposure for increased government spending.

Budget constraints appeared to become a less of a factor in the determination of farm bill provision in the late 1990s when spending soared from \$7.3 billion in 1997 to \$32.3 billion in 2000. This lack of spending restraint has been attributed to a number of factors including:

- Low farm incomes in the absence of high subsidies.
- The existence of a current and projected budget surplus.
- Political factors, including challenges to the presidency and elections.

In all probability, the large government surplus will begin to decline, perhaps as early as 2002, because of some combination of the following factors:

- Increased spending.
- Tax cuts.
- Reduced economic growth.

Given the uncertainty of the budget outlook, it would be unwise to assume that the budget constraint has disappeared as a factor influencing farm policy, and particularly the 2002 Farm Bill.

Conclusion

Enacting a farm bill inherently involves a process of accommodation. Initially this accommodation will be among the commodity and agribusiness organizations that are the most direct beneficiaries of farm programs. Then, the realization sets in that the farm bill has to gain a minimum of 218 votes in the House and 51 votes in the Senate to be sent to the President for signature. The issue then becomes one of how to accommodate the interests of environmental groups and food stamp/school lunch interests to secure the minimum votes required for passage. Whether farmers and ranchers like it or not, this process of accommodation is essential to practicing the politics of coalition-building that is inherent in the farm policy making process. This process also requires accommodation with the Bush Administration, since these interests may not share the Administration's views on a number of key issues.