



Several members of the farm lobby said the economic slump made lawmakers more aware of the need to keep supports in this farm bill. | Butch Comegys/The Times-Tribune via AP

## How Congress killed efforts to slash subsidies for wealthy farmers

By CATHERINE BOUDREAU | 08/20/2018 03:17 PM EDT

Fiscal conservatives and liberal environmentalists alike thought they had a good chance this year to trim billions in farm subsidies that flow to wealthy commodity growers.

Despite years of methodical planning and lobbying, their efforts during the 2018 farm bill were thwarted by some of the very lawmakers who were thought to be aligned with their interests.

“This wasn’t a matter of being beaten. We were blocked,” Nan Swift, director of federal affairs for the National Taxpayers Union, told POLITICO. “Let’s have the fight.”

“I’m fine with losing on the floor. But to not even have a discussion is selling taxpayers short,” she added.

The coalition pushing to rein in farm subsidies is a disparate bunch: It includes libertarians seeking spending cuts, environmentalists wanting to improve water quality and free-marketers like the Heritage Foundation.

Although these strange bedfellows have long tried to limit farm payments, the coalition thought this farm bill cycle could be their moment. Not only is Congress controlled by Republicans, many of whom express a distaste for big government, but President Donald Trump also included proposals in his budgets that would cut off subsidies for farmers with high incomes.

But except for a failed vote in the House to limit government’s role in sugar policy and a Hail Mary proposal to phase out all farm subsidies, almost no public debate on subsidies took place in either chamber.

In the House, a bitter partisan divide over the GOP’s plan to impose stricter work requirements on millions of food-stamp recipients inadvertently created an environment in which both Republican and Democratic leaders helped fend off attempts to target farm subsidies.

In the Senate, Majority Leader Mitch McConnell’s tight control of the floor, coupled with Agriculture Committee leaders’ bipartisan effort to thwart controversial proposals, ultimately stymied the push to overhaul subsidies, according to interviews with more than a dozen lawmakers, congressional aides and lobbying groups engaged in the farm bill fight.

It didn’t help their cause that agricultural producers’ net farm income has been cut in half in recent years because of low commodity prices. Producers are also feeling the pain from the Trump administration’s chaotic trade relationships.

Several members of the farm lobby — a powerful force representing farmers, bankers, agrochemical companies and private crop insurers — said the economic slump made lawmakers more aware of the need to maintain support in this farm bill.

Still, the coalition of subsidy reformers had high hopes for scoring some wins during the amendment process, particularly in the House, where many lawmakers in the Freedom Caucus, Republican Study Committee and environmental caucuses shared their beliefs.

## **Strategy to cap payments**

Shortly after the House Agriculture Committee in April unveiled its farm bill, the staff of Democratic Reps. Ron Kind (Wis.) as well as Earl Blumenauer (Ore.), who represents one of the most liberal districts in the nation, joined forces with Ralph Norman (R-S.C.), a fiscal conservative and fierce gun rights advocate. They organized strategy sessions in the Capitol that included more than a dozen staff from lawmakers' offices and outside interest groups, according to several people involved.

What emerged were at least 10 amendments narrowly targeting farm policies, the majority of which were bipartisan. Blumenauer and Texas Republican Michael Burgess co-sponsored a provision that would cap two commodity support programs — known as Agriculture Risk Coverage and Price Loss Coverage — at 110 percent of their projected cost. The proposal passed the House during the last farm bill but was eventually stripped from the version conferenced with the Senate.

GOP Reps. Keith Rothfus (Pa.) and Jim Sensenbrenner (Wis.) joined forces with Democrats Kind and Jared Polis (Colo.) on a proposal that would prohibit farmers with an adjusted gross income of \$500,000 or more from being eligible for crop insurance premiums partially covered by the taxpayer. And Kind and Rothfus proposed the same means test for commodity and conservation assistance. Under current law, farmers earning more than \$900,000 in income are disqualified for commodity and conservation payments, while crop insurance has no such eligibility tests.

## **Alignment of Republican and Democratic leadership**

But the dispute over SNAP unintentionally aligned House Speaker Paul Ryan, Minority Leader Nancy Pelosi, Agriculture Chairman Mike Conaway and ranking member Collin Peterson in way the coalition didn't foresee: All four helped defend the farm policy status quo.

For many House Republicans, pushing stricter work requirements for SNAP was too important an issue, said Caroline Kitchens, federal affairs manager and a policy analyst with the R Street Institute, a free-market think tank. As a result, they were willing to let slide provisions in the legislation that would make it easier for some farm operations to receive greater commodity subsidies, she said.

Ryan, who in the past has advocated for billions in cuts to farm subsidies, regularly praised the House bill for including workforce development reforms in SNAP to help close the skills gap at a time of U.S. economic growth. He barely addressed farm policy in public statements. AshLee Strong, a spokeswoman for Ryan, said the Speaker is proud to have followed through on a promise made in Republicans' "Better Way" agenda, which they campaigned on in 2016.

Meanwhile, Pelosi and Peterson pushed Democrats to unanimously oppose the farm bill over the proposed changes to SNAP, which would involve stricter work requirements for about 5 to 7 million able-bodied adults and tightened eligibility.

Blumenauer — who spent several years crafting an alternative farm bill — said in an interview that Pelosi and Peterson did not want him to offer amendments to the GOP-led farm bill.

“I never got a good reason for why [we should not offer] a sugar policy reform amendment,” Blumenauer said. “What the passage of something like that could possibly do to threaten Democrat's ability to hold the line against draconian cuts to nutrition programs?”

An aide to Pelosi told POLITICO that the minority leader and Peterson wanted an overall strategy to unify Democrats by not offering amendments to the farm bill because “no amendment could improve the underlying bill that failed” on both nutrition programs and farm policy.

In the end, the House Rules Committee heeded the counsel of the Agriculture Committee by blocking nearly every farm subsidy amendment on deck, according to several congressional aides, though in total about 50 other proposals were made in order — ranging from forest restoration to rural broadband. Many described the move as surprising, though acknowledged that Rules has often deferred to the chairman responsible for the piece of legislation being considered.

The House Agriculture Committee, in a statement to POLITICO, said that it is proud of the farm bill and “the open process by which it was developed and successfully approved.”

“While some are Monday morning quarterbacking how we got the farm bill this far, the committee is laser focused on ensuring a successful conference committee and an on-time enactment of a strong, new farm bill. That’s what matters to farmers, ranchers, and rural America,” the committee said.

The one chance on the floor came after Rep. Virginia Foxx (R-N.C.) offered an amendment to unravel parts the 1930s era sugar program — a complex system of price supports, production controls and import limits designed to keep the commodity price high. The votes on the issue demonstrated the complicated political interests at play when it comes to taking on the farm lobby.

Peterson — whose support of U.S. sugar policy over the years has helped him get re-elected in a Minnesota district where the sugar beet industry generates billions in economic activity — told lawmakers that he would have to resign if Foxx’s amendment passed because he couldn’t face his constituents. Conaway threatened to whip against the entire farm bill if Foxx’s proposal prevailed.

In the end, the House defeated Foxx’s amendment by a vote of 137 to 278.

## Stalled in Senate

The vote to sink sugar reform in the House took the wind out of the sails of a similar push in the Senate.

Sens. Jeanne Shaheen (D-N.H.) and Pat Toomey (R-Pa.) didn't bring their sugar amendment to the floor, and members of the coalition seeking changes said there was skepticism that the legislation could clear a 60-vote threshold needed to overcome a filibuster.

Only two amendments were brought up for consideration in the Senate, and they didn't target farm subsidies.

Senate Agriculture Chairman Pat Roberts (R-Kansas) and ranking member Debbie Stabenow (D-Mich.) worked overtime and in lock step to fend off amendments that could potentially undermine support for the farm bill.

Stabenow persuaded Minority Whip Dick Durbin (D-Ill.) to renege on a proposal that would reduce crop insurance premium subsidies by 15 percent for farmers earning more than \$1.4 million a year. Instead, language bolstering rural emergency medical services was included.

“He made the decision that he wasn't going to push on the crop insurance amendment, given other things that he cared deeply about that we were able to address,” Stabenow told reporters at the time.

Emily Hampsten, a spokeswoman for Durbin, said the senator was pursuing both proposals. “One had an objection to a vote and one ultimately did not,” she said.

Leaders of the Senate Agriculture Committee have emphasized that more than 170 mostly uncontroversial proposals from Republicans and Democrats were incorporated into the legislation via various, unanimously approved managers' packages.

That included a provision from Sen. Chuck Grassley (R-Iowa) that would limit farms to having just one manager eligible for commodity subsidies, which are currently capped at \$125,000 a year per person — and double for couples. Agriculture Committee leaders also agreed to lower the income test for receiving commodity subsidies to \$700,000.

“At a time of challenge in the ag economy, farmers, ranchers, and other stakeholders need predictability and certainty,” Meghan Cline, a spokeswoman for the Agriculture Committee, said. “Chairman Roberts continues to work with his House and Senate colleagues to ensure we can get a farm bill across the finish line to help provide that predictability and certainty.”

The frustration over a lack of open debate on amendments also had been simmering long before the farm bill came to the floor. During this two-year Congress, McConnell has exerted a tight grip on the Senate floor, although some blame Democratic leaders for shielding vulnerable members from tough votes.

The coalition of those looking to limit subsidies still has a chance, albeit a slim one, to press their case in conference. By the next cycle, the groups say they learned what needs to be done to get their message across.

“Conservative groups played a more sophisticated game than ever before,” Scott Faber, vice president of government affairs for the Environmental Working Group, and key member of the subsidy reform coalition, told POLITICO. “They put forth thoughtful, well-crafted amendments that if made in order, likely would have prevailed.”

“Still, they aren’t yet a match for the ag lobby,” he added.

Tom Sell, co-founder and principal at Combest, Sell & Associates, a lobbying firm that primarily represents ag groups, including the American Sugar Alliance, cast doubt on such efforts.

“They’ve been pretty well organized the last four farm bills,” Sell said. “They haven’t been able to win because they don’t represent real farmers.”

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