

Senate passes \$286 billion farm bill with bumper crop of subsidies

By Carolyn Lochhead,
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Farm subsidy supporters dared the Bush administration to veto a \$286 billion farm bill that passed the Senate 79-14 on Friday, more than enough to override the president and keep crop subsidies flowing for the next five years, even as farm income sets records.

Sen. Kent Conrad, D-N.D., pointed out that all four Senate Democratic presidential candidates - Hillary Rodham Clinton, Barack Obama, Chris Dodd and Joseph Biden - sent word that they would have voted for the bill had they not been busy campaigning in Iowa corn country.

"Seventy-nine votes in the United States Senate, and with four presidential candidates, that would be 83 votes," said Conrad, who engineered a new \$5.1 billion "permanent disaster" fund aimed at Great Plains farmers who plant wheat where the rain seldom falls and their crops often fail. "That would certainly be enough to override a veto."

While Sens. Dianne Feinstein and Barbara Boxer both supported final passage, the California Democrats had voted for almost every reform amendment, from a radical overhaul of the subsidy system, to payment limits, income limits and cuts in subsidies to crop insurance companies.

That puts the two senators leading the nation's biggest farm state squarely at odds with their San Francisco colleague, House Speaker Nancy Pelosi, who was instrumental in quashing reform efforts in the House last summer.

The Senate and House versions of the farm bill still must be reconciled in a conference committee and passed again before the president gets a chance to sign or veto the legislation.

All the amendments to the Senate bill that attempted to chip away at crop subsidies and divert the savings to nutrition and conservation programs, of key interest to California, failed under stiff opposition led by Conrad and Georgia Republican Saxby Chambliss.

"The way the system in Congress works, it is making it extremely difficult to do the rational thing for healthy foods and healthy farms," said Mark Lipson, policy program director for the Organic Farming Research Foundation in Santa Cruz. "The wider societal goals we need our food and farm system to have are not in the forefront."

The giant bill will set U.S. food policy for the next five years. Farm bills usually draw little outside attention, but this year a rare left-right coalition with deep roots in

the Bay Area formed to push for what they called a food bill instead of a farm bill.

These advocates wanted more attention for organic and local farming and conservation, among other things, while public health groups were furious that the federal government continues to subsidize junk food during a costly obesity epidemic.

"The Democratic leadership of this Congress has come down at almost every turn in favor of subsidized big agriculture," said Ken Cook, president of the Environmental Working Group. "It seems when your approval ratings are in the toilet, you stop flushing."

The administration remained adamant that despite the coming election, President Bush would veto the bill and the one that passed the House in July. Acting Agriculture Secretary Chuck Conner said it relies on \$15 billion in higher taxes and \$22 billion in budget gimmicks and continues to send checks to the wealthiest farmers and landowners, mainly for corn, cotton, rice, wheat and soybeans. Federal support for dairy and sugar also would be increased.

Bush had proposed limiting subsidies to those earning less than \$200,000 a year.

"I can't believe this is a tough issue," Conner said. "Taking tax dollars from middle-income Americans and transferring those dollars to the wealthiest few is simply bad policy."

The administration said it will lean on House and Senate negotiators next month as they try to meld the two bills into a final version.

The ribbon of commodity interests running from the Northern Plains through the Midwest and into the South is famous for its grip on Washington. Since the Great Depression, it has managed to sustain a handful of crop subsidies for a shrinking number of increasingly large farms.

In the meantime, U.S. agriculture has changed radically. Farms have consolidated, and the subsidized corn starches, sugars and vegetable oils now permeating processed foods have emerged as a leading public health concern.

California farmers, who provide half the nation's fresh fruits and vegetables, have little interest in crop subsidies. Only 9 percent of the state's growers participate in those programs.

Even those who do, such as the San Joaquin Valley's cotton farmers, are shifting rapidly to higher-value alternatives such as almonds and pistachios, or a more valuable long-staple cotton they market under the Supima brand that receives negligible federal aid, said Daniel Sumner, a farm economist at UC Davis.

But California's growers do have a big stake in the farm bill's heavily oversubscribed environmental programs. These split costs with farmers for addressing such things as water runoff, air pollution, soil erosion or wildlife habitat and the conservation programs such as the Grassland Reserve that provide relief against intense suburban development pressure. They are available to all farmers, not just those who grow commodity crops.

Sara Hopper, an attorney with Environmental Defense, said 2 out of 3 farmers applying for environmental programs are rejected. Despite big increases in the farm bill for environmental protection, half would still be rejected under the Senate bill, she said.

"You could pay for all farmers to be included and not have to resort

to any kind of tax increase," if commodity subsidies were cut, Hopper said.

Fresh produce growers also have a big stake in the giant federal nutrition programs, from food stamps, which accounts for two-thirds of the overall bill, to school lunch programs. They wanted a major expansion of purchasing fresh fruits and vegetables for these programs.

The Agriculture committees were forced to add \$2.1 billion in the Senate and \$1.6 billion in the House for specialty crops, a small fraction of the \$26 billion going to commodity farmers just in one program, but still a breakthrough.

Yet gains are at risk in House-Senate conference negotiations, given the budget problems in the bill, said Robert Guenther, senior vice president for public policy for the United Fresh Produce Association.

"We potentially could be the first on the chopping block. We're kind of the new kids on the block," Guenther said.

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