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U.S. Senate Budget Plan Proposes to Fix Flawed Farm Bill Extension

The fiscal package announced in mid-February by Sen. Majority leader Harry Reid proposes to correct the disastrous farm bill extension measure agreed to as part of the fiscal cliff deal in the final hours of 2012 by the White House and Senate Minority Leader.

The farm bill component of the new "American Family Economic Protection Act" proposal is part of a larger package of spending cuts and revenue increases proposed as an alternative to the meat tax approach to deficit reduction known as sequestration.

The Reid proposal would end direct payments and restore the farm bill programs that were left out of the farm bill extension portion of the fiscal cliff deal. Those programs-- for renewable energy, rural small businesses, value-added agriculture, new and beginning farms, conservation, organic farming, minority farmers and local food producers-- were all thrown under the bus in the fiscal cliff deal in order to preserve every dollar of unneeded untargeted, and antiquated direct subsidies.

The Reid proposal would right that wrong. It would also provide immediate funding for livestock disaster assistance, another item left out of the fiscal cliff deal.

"We applaud Senator Reid for proposing to fix the fiscally irresponsible and unfair farm bill extension that was slapped together behind closed doors at the end of 2012," said Ferd Hoefner, NSAC Policy Director.

According to Ferd Hoefner, policy director for the National Sustainable Agriculture Coalition, "the sustainable agriculture community calls on House, Senate, and White House leaders to work immediately toward a deal that averts or substantially modifies the sequester and corrects the farm bill extension so that it actually extends the full farm bill while beginning the long overdue job of reforming subsidies.

The Reid bill would cut defense spending and net farm bill spending each by \$27.5 billion over the coming decade. The total elimination of direct commodity production subsidies yields \$31 billion, but the bill also reinvests \$3.5 billion to pay for a full farm bill extension, including the programs left stranded by the earlier partial farm bill extension plus disaster assistance.

It would also raise an additional \$55 billion by closing two tax dodges and placing a minimum tax on millionaires to counteract the effect of tax loopholes, to raise an additional \$55 billion. The automatic budget cuts known as sequestration would be delayed until January 2014, in hopes that in the meantime a larger long-term deficit reduction deal could be reached by Congress and the White House.

Without new action by Congress, sequestration goes into effect on March 1, cutting farm commodity and conservation programs by some \$7 billion and reducing every USDA discretionary program by five percent. *(From the National Sustainable Agriculture Coalition, Feb. 14, 2013)*