1985 FARM AND FOOD LEGISLATION

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Development of the 1985 farm and food legislation really began in 1984. It's doubtful if there has ever been a farm bill that has received so much build up, or been awaited with so much anticipation, concern, and hope.

Congress kicked things off in 1984 with a series of hearings by the House Agriculture Committee. There are nine volumes of published hearings you can study to find who said what and if what was said really has made any impact on the development of farm legislation.

The secretary of agriculture held a series of listening sessions around the country during which individuals and groups were invited to express their views on various agricultural issues.

Policy educators, extension services, universities, and various organizations also sponsored conferences, engaged in dialogue about the most significant issues, and surveyed farmers, agribusinesses, and others about their thoughts on some of the crucial issues.

The Administrative Groundwork

Serious effort to develop the farm bill and other economic planning got underway after election day. Agriculture Secretary Block and Budget Director Stockman negotiated and developed a budget for agriculture. Agriculture Department officials worked quietly on a new farm bill proposal. The Treasury began talking about tax reform.

Although the budget was released in late January, it was February 22 before Secretary Block officially unveiled a new farm bill proposal, The Agricultural Adjustment Act (AAA) of 1985. In early March he appeared before the Senate and House agriculture committees to defend and explain the administration's plan. Yet, the AAA of 1985 was never seriously considered by either the House or Senate.

However, the basic objectives emphasized in developing the proposal have received attention by both the House and Senate agriculture committees. These basic objectives include: a long term agricultural policy, market orientation, enhancement of United States competitiveness in foreign markets, orderly transition, equity and consistency, and budget restraint.

The Farm Credit Crisis Unfolds

As Washington celebrated inauguration weekend, farmers donned their warmest clothes and marched on the Minnesota state capitol grounds in what was to be a series of public demonstrations to draw attention to the critical financial plight of many farmers. The public exposure to the serious and immediate financial plight of some farmers pushed back any serious work on a comprehensive farm bill by a month or more.

In late February the entire South Dakota legislature flew into Washington to confer with government officials. State governors, church leaders, farm crisis committees, and other staff officials made their pilgrimage to Washington on behalf of farmers in immediate financial need.

In early March, farmers from across the country descended upon Washington to meet with their congressmen, government officials, and the secretary of agriculture.

The media gave broad coverage to farmers' financial problems. Congress quickly passed emergency farm credit legislation. But the administration claimed they were making adequate funds available and the president vetoed the special emergency legislation.

Through March and April the Senate Agriculture Committee held hearings and conducted listening seminars for their members. The House agriculture subcommittees provided a platform for commodity groups to express their views.

Writing a Farm Bill—Mark Up Sessions

Writing a new farm bill began in April and continued through to early August when Congress took its annual recess. Numerous bills were introduced and ideas from several bills were considered. But two basic bills served as mark up vehicles. In the Senate, S. 616, the Helms Bill, was prepared by the committee staff. In the House, H. R. 2100, the de la Garza Bill served this purpose.

In addition, other committee members introduced bills that they expected to be given some consideration. The American Farm Bureau Federation had a bill introduced in the House by Congressman Emerson from Missouri and in the Senate by Senator McConnell of Kentucky.

To at least give the appearance that many bills were considered, the bulky, hard to handle, and sometimes little used spread sheet books were developed.

Out of the spread sheets came summaries and new drafts of farm bill, section by section, or title by title.

Senate Committee Activity

The Senate seemed to move slowly, spending day after day in May and June discussing the less controversial parts of the bill and avoiding the critical commodity program decisions. Often after a committee session, the staff met for hours during the afternoon and evening to work out agreement on what they thought the committee had decided.

Just before the July 4 recess, Senator Dole came to the committee meeting one afternoon and tried to exert some encouragement and leadership in his majority leader's role. The committee agreed that they would aim for July 15 as the date to report out a farm bill. On many days committee members met in Senator Dole's office and in other private sessions to develop concensus. Three basic commodity approaches evolved: the Zorinsky-Dole Bill; the Cochran, Andrews, Melcher Bill and the Harkin Bill.

The Harkin Bill was quickly tossed out since the concept of a farmer referendum and mandatory controls lacked enough appeal. The Cochran, Andrews, Melcher plan which involved a marketing loan was received more favorably. But the Zorinsky-Dole plan, which involved setting loan rates based on a market price, a transition period, and frozen target prices in 1986, was accepted as the mark up bill. However, the committee then voted to freeze wheat and feed grain target prices for four years which upset both Senators Helms and Dole. Later the freeze was cut to two years, 1986 and 1987. But then deadlock set in, no more committee meetings on the commodity programs were held.

By the time the committee recessed, some tentative decisions had been made.

House Committee Action

In the House, the subcommittees divided up their work by titles and reported their parts of the bill for consideration by the whole committee. The Wheat, Feed Grains and Soybeans Subcommittee headed by Congressman Tom Foley of Washington faced some of the most difficult and crucial decisions. Mr. Foley's leadership brought about agreement and a proposed bill for the full committee's consideration. Subcommittee work was completed by the end of June. Full committee work proceeded through July resulting in a "tentatively final" bill by the time the committee went on August recess. Budget reconciliation work remained since the final budget was not passed until August 1.

On September 4 the House came back into session. A task force of 12 members was appointed to work out budget reconciliation with the bill that had been developed. The task force presented its report to the full committee on September 10.

Following objections by Congressman Madigan over the proposed 10 percent reduction in soybean loan rates, a noon recess provided time to work out adjustments that called for only a 5 percent reduction in the soybean loan rate to maintain export markets and some adjustments in subsidized export shipments, a cap on emergency disaster loans, and a cut in diversion payments permitting proposed savings of $11.8 billion over the three fiscal years 1986-88.

After some additional corrective amendments, a final vote down of a farmer referendum for mandatory supply control, and passage of a referendum for a voluntary supply control marketing certificate program, the full bill was passed by the House committee.

Resolving Administration and Congressional Differences

Although the Agricultural Adjustment Act of 1985 was widely criticized by members of Congress, communication between the Department of Agriculture has continued and many of the principles of the administration proposals are included in the House and Senate bills. Just two weeks ago the department's Office of Public Liaison issued a series of background statements on the 1985 farm bill.

The secretary's office also issued a nine page statement called "Farm Program Talking Points" in which opposition was stated to: a freeze on present target prices, the marketing loan concept, the House Agriculture Committee dairy diversion program, price or income supports based on the cost of production, mandatory controls, and extending present farm legislation.

President Reagan, in a letter to Senator Helms released September 11, stated these objectives:

> "Establishment of commodity price supports that allow export dependent commodities to become competitive in international markets;
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> gradual reductions in the level of income support each year;
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> reductions in the dairy support price as long as surpluses exist;
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> a phase out of acreage reduction programs; and
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> targeting of income benefits to legitimate family farm operations."

The president also stated that the budget levels adopted by the House and Senate in the first concurrent resolution on the budget should serve as the appropriate balance between the funding needs of the farm programs and the need to reduce the deficit.

He also stated "I look forward to signing a farm bill that provides hope, not measured doses of despair. But I must note that I am prepared to disapprove legislation that repeats the mistakes of the past."

It appears that the communication lines between the secretary's office and Congress are open and functioning.

Conclusions

Not unlike past major farm bills, the Agricultural Act of 1985 is a further evolutionary step in the development of United States agricultural and food policy. The final bill will be strongly influenced by the time in which it was written — a period of severe financial problems for many farm operators and a time of the most severe federal budget deficits in our history.

In a democratic society such as ours, making a revolutionary shift in farm policy as the administration proposed is a difficult if not impossible task, especially if the proposed shift is in the opposite direction for the interests of many producers.

The interest and persistence of producer interest groups has been evident in hearings and committee mark up sessions. Both the general and commodity groups are on hand. Agribusiness groups have taken a watchful interest in what is developing but their presence is less obvious than that of producers. The agriculture committee members have listened and supported the views of producers' groups. Consumer and environmental groups have also expressed their views but have had less influence. How strong the nonfarm citizen and consumer groups are when the bills reach the floor of the House and Senate remains to be seen.

A few new policy concepts have emerged but are not likely to get approval in this bill. These include the marketing loan and a referendum for strict mandatory supply control. These concepts and other issues that emerge from the 1985 policy making experience present opportunities for research and policy education.

When the final bill is written and the president signs it, you will have a major policy education opportunity to explain what has happened, why it happened, and the consequences. The teachable moment will be at hand.

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