Ohio State Agricultural Economist Offers 2013 Farm Bill Update

As the farm bill progresses through Congress’ legislative process, several major differences exist in the House and Senate versions of the bill, an economist with Ohio State’s College of Food, Agricultural, and Environmental Sciences said.

Carl Zulauf, an agricultural economist in the college’s Department of Agricultural, Environmental and Development Economics, recently offered a comprehensive update of the 2013 farm bill process in a policy brief that he co-authored with Jonathan Coppess, clinical assistant professor at the University of Illinois at Urbana-Champaign and formerly from Darke County.

The conference process involves select members of the House and Senate working together to resolve differences in their two versions of a bill, Zulauf said. These differences must be resolved because the U.S. Constitution requires that the House and Senate pass the same bill before it can be sent to the president for approval or veto.

In the brief, Zulauf and Coppess highlight some of the key differences in the House and Senate versions of the bill, including:

- **Nutrition assistance programs:** The biggest spending difference between the House and Senate versions of the farm bill is in relation to nutrition benefits, mostly in the form of the Supplemental Nutrition Assistance Program, or SNAP, formerly known as food stamps. The House version of the bill calls for $39 billion in cuts to nutrition benefits over a 10-year timeframe, largely by reducing the number of eligible beneficiaries. Meanwhile, the Senate version calls for $4 billion in cuts over the same period.

- **Type of multiple-year crop programs:** Experts believe the most divisive of these differences is whether crop payments should be based on historical base acres planted to the crop or on current planted acres, followed by whether the reference price and income targets should be fixed by Congress over the life of the farm bill or whether they should follow the market up and down.

“Both of these issues revolve around a broader issue, the degree of distortion that farm programs can introduce into farmers’ crop planting decisions,” the brief says. “In particular, how much does distinction increase when current planted acres and fixed reference prices are
Crop insurance: While both bills increase spending on crop insurance, the House bill increases spending by more. The Senate version also requires farms to comply with a conservation plan in order to receive the crop insurance subsidy, and a farm’s insurance subsidy level is reduced by 15 percentage points if the farm’s yearly gross income exceeds $750,000. Neither requirement is in the House version.

Dairy program: Both versions of the draft legislation include provisions to replace the current farm bill dairy programs with a risk management program focused on the margin difference in the price of milk and feed. However, the Senate bill includes a provision to control supply by encouraging supply reductions when margins are low, while the House version does not feature a supply control provision.

Though the cuts to the nutrition programs in the farm bill have received extensive media attention, Zulauf and Coppess write that there are many components of the legislation that are likely to cause debate among members of the conference committee.

“It is easy to point to nutrition programs as the likely reason that a new farm bill will not occur,” they wrote. “However, we think the farm safety net issues are just as, and maybe more divisive.”

To read Zulauf and Coppess’ full policy brief, “2013 Farm Bill Update – November 2013,” visit [http://go.osu.edu/YAg](http://go.osu.edu/YAg).