

July 25, 2012

Note: This is an unofficial transcript.



Keith Good
FarmPolicy.com, Inc.
Champaign, IL
www.FarmPolicy.com

Senator Stabenow: Good afternoon. Thanks, everybody, for joining me on the call. I just wanted to spend a few moments talking about the importance of passing the farm bill in the House. I know all of you know this, but we have the worst drought conditions in over 50 years. Four more counties – four in Michigan – just being designated today as drought disaster area, after 72 out of 83 of our counties have already been declared a disaster, based on the early warmth and freeze in Michigan. So we're seeing this certainly all across the country, dried up, parched farmland. And we all know what's happening to corn and soybeans and livestock. This is a very, very serious issue for our farmers and ranchers, and so we need a farm bill.

The Senate passed a bipartisan farm bill. The House Ag Committee has passed a bipartisan bill out of committee. We just need to have it brought up on the House floor. And given the fact that at this point there are not a lot of measures being taken up in the House, we certainly could schedule this for a vote. We've never seen the House Ag Committee pass a bill out of committee that wasn't taken up on the floor.

We have a looming deadline, we have the drought to deal with, and this is a very serious issue. They have the deadline on the bill coming up on September 30th. We need time to be able to negotiate between the House and the Senate. We want to do that during August. And frankly, farmers and ranchers don't get the luxury to go on recess or a break, and we need to put in place here the mechanisms that are going to allow us to be able to negotiate and get a final farm bill before the deadline on September 30th.

So that's my message. It certainly is the message of the leaders in agriculture. And as you know, we had an opportunity to sit down last night, and it was very clear that we all want to get this done. We have disaster provisions in the Senate bill, and we have livestock disaster systems provisions in the House bill. We have strong livestock disaster assistance provisions in the Senate as well as provisions to help fruit growers that don't have any crop insurance. And we put in place the opportunity

to strengthen crop insurance and create more policies, the ability for those who don't have crop insurance now to be able to buy policies in the future.

Rather than doing ad hoc disaster assistance all the time, what we need to do is create certainty for farmers and ranchers, put in place strong policies going forward that will get them the crop insurance that they need, so they can purchase that and have the other safety nets in place, and be able to work with their banker to be able to plan for next year and be able to get things done. So we're ready to do that.

In the Senate, we have passed our bill, as you know, and I know that the House Agricultural leadership is anxious as well to be able to have an opportunity to pass a bill in the House. So that's very simply my message. And I'm hearing that from our growers everywhere, not only in Michigan, but all across the country right now. We need to get this done.

Sixteen million jobs are connected to agriculture, and it's been the bright spot in our economy. And even now, with where we are with the drought and so on, we need to make sure that agriculture stays strong in America. I'm happy to answer questions.

Mr. Matt Kay: Yeah, Chairwoman Stabenow, Matt Kay from the Burns Bureau. How are you?

Sen. Stabenow: Good, Matt.

Mr. Kay: If you had a chance, and I assume you have, I think you alluded to a meeting yesterday, talked to Chairman Lucas and Ranking Member Peterson. What sense do you get about, number one, the likelihood, with just a handful of days left before the August recess, that the House leadership is changing its position on a full farm bill, and secondly, short of a full farm bill, the possibility that there might be a drought package attached to an extension?

Sen. Stabenow: Well, first of all, an extension doesn't have to be in place until the end of September, and that's the same time frame as the farm bill, so in my judgment, we should move ahead and give farmers and ranchers the certainty that they need by passing the farm bill with disaster assistance as a part of it. We, as I said, have done major disaster assistance for livestock and for fruit growers, and made that retroactive to this year. Certainly support adding additional provisions to that bill. But we don't do our farmers and ranchers any favors by just doing a short-term, ad hoc disaster assistance program without giving them the economic certainty to be able to plan and make business decisions going into the new year.

Mr. Kay: Right, I understand that, but is there a backup plan? Is there a Plan B if we don't have Plan A?

Sen. Stabenow: Well, at the moment, I mean, we're looking for Plan A. So we'll deal with that in September if we need to, but I would have to say that there is no reason that we can't get this done. And so from my perspective, we need to be putting in

place deficit reduction that we've passed. And the only thing we've passed on a bipartisan basis on deficit reduction was the 23 billion in the farm bill. And the House has the opportunity to pass deficit reduction as well.

And we certainly understand that farmers and ranchers need help, no question about it. But they need help in two ways. They need short-term help for the current disasters, and they need us to be able to put in place policies to support them going forward for next year. If we don't pass a farm bill that creates new opportunities to create crop insurance, we're going to be right back here next year with the same folks that couldn't get crop insurance today that won't be able to have it for next year if there's a problem. So we just need to get it done. And there's really absolutely no reason that we can't get it done.

Mr. Kay: Thank you.

Sen. Stabenow: Sure.

Operator: Again, if you have a question, please press star 6 to un-mute your line.

Mr. Chuck Abbott: Madame [Chairwoman], this is Chuck Abbott. I talked earlier today with one of the farm lobbyists. He said, well, extension looks like the most likely thing. Perhaps you could explain the connection between a \$490 billion farm bill and a couple billion dollars in disaster aid. What electoral politics do you see in all of this?

Sen. Stabenow: Well, I think – I mean, one of the things, first of all, that we did in the Senate is really decide we were going to work together on a bipartisan basis rather than bringing partisan politics into it. And I think everybody felt very good at the end of the process. Everybody had their say, and we were able to get a very good product done. This is an opportunity for the House to do the same thing.

I know that as I'm talking to people across the country as well as in Michigan, they're not asking for stopgap measures. They want us to step up, work together, complete the job so that they have certainty going forward as well as help right now for the disasters. There's no question this is a serious time. Worst drought in over 50 years. And we need to make sure that we're doing everything we can to support our growers and ranchers. And we've done that in the Senate farm bill, and we want to work together.

But we need to be doing it in the context of not a few month extension here and there, where they really, you know, farmers and ranchers have ongoing uncertainty about what happens next year. What we need to do is give them some economic certainty so they can make decisions, both for the current disaster, but also on how they address things going forward. So again, there's no reason not to get this done. And my guess is that a lot of folks are going to hear about it in August, about how

important it is to folks in rural communities across America and farmers and ranchers, agribusinesses, that we just complete the job.

Mr. Jerry Hagstrom: Madame Chairman, this is Jerry Hagstrom. Can you hear me?

Sen. Stabenow: Sure.

Mr. Hagstrom: I understand that there was to be some talk at the meeting last night of how you could put together a deal that would pass both houses in September. Did you get to that discussion, or can you tell us any more about the discussion last night?

Sen. Stabenow: We didn't get into specifics on policy. It really wasn't a negotiating session. It was really talking about process. And so it's important that we have a signal from leadership in the House and the Senate and a path forward so that we can sit down and use August as a time to negotiate.

We have differences, certainly, around the commodity title that I'm confident we can work out, but it will take some time to do that. We have some differences around nutrition. Frankly, we are very close in structure on conservation, and especially crops and a number of other – I think most of the rest of the bill there are many, many similarities, many more than differences. But we know we need some time, in a thoughtful way, to be able to bridge differences in how we approach a strong risk management system and safety net for farmers.

And so what we need is a sign from the leadership to support our doing that. And we talked about different ways to do that. I mean, the ideal is that the House would pass the farm bill and send it to us to negotiate. It is possible for them to send other signals to us or other things that would allow us to move forward, but we all agreed that – you know, we've come so far. There's been great bipartisan work done. And it would be, I think, a real shame if we can't get this done.

Mr. Hagstrom: Ranking Member Peterson said that all of you were going to go back to your leadership and make sure they were on board with this. Have you spoken with Mr. Reid, or do you feel he's clear on what he wants to do on this?

Sen. Stabenow: Well, Senator Reid, Majority Leader Reid, has been very supportive of us moving forward. I mean, in total we had – procedurally, you know, we used three weeks of Senate session, with very precious, limited time to be able to actually complete our work in the Senate. We were voting for two and a half days, but we had to go through a number of procedural hoops, and so he's certainly indicated he supports our coming together and getting it passed forward, and he wants to get it done.

Operator: We have time for one more question.

Male Voice: Chairwoman Stabenow, can you hear me? This is [Don] ____.

Sen. Stabenow: Sure.

Male Voice: Okay. I wanted to ask you, in terms of timing, by my count we're looking at about 14 days for the House, including today. And I think, if I read it correctly, you, in the Senate, have potentially 15 days. Is there kind of a failsafe deadline? I mean, there's a point at which it's just not going to happen, you're not going to be able to conference this thing, you're not going to be able to get it through the White House, and you're going to have to do an extension?

Sen. Stabenow: Well, at this point, I am not willing to say when that date is. I'm not sure when that date is. I will say it's important that we use the time in August to be able to work together to be able to work out differences. So how that's [constructed], again, I'm not sure. But it's important that we do that. And if we have an agreement, things can move very quickly. I mean, there is no reason that things can't move quickly if there's an agreement on substance.

[End of recording.]