

Agriculture Committee Chairwoman Debbie Stabenow (D., Mich.)  
Conference Call with Reporters- Sequestration Issues

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Keith Good  
FarmPolicy.com, Inc.  
Champaign, IL  
[www.FarmPolicy.com](http://www.FarmPolicy.com)

*NOTE: This is a partial transcript of the conference call and does not contain the full discussion with reporters.*

**Senator Debbie Stabenow:** Good afternoon. Thanks very much for joining me. I wanted to lay out what we are doing in the sequester alternative that we'll be voting on the week we come back from the President's Day work period, specifically as it relates to agriculture.

We are, as you know, in agriculture, being very serious about evaluating government spending and setting priorities for taxpayers as well as for farmers and ranchers. And in the process of writing the farm bill last year and evaluating what made sense and what didn't make sense to fund and to spend taxpayers' dollars on, we agreed, on a bipartisan basis, that direct payments did not make sense, that we shouldn't be providing a taxpayer subsidy to farmers during good times, or high prices, or when they didn't have a loss, and in many cases, for crops they're not even growing anymore.

And so we moved to a risk based, market based system that saves money, but also makes a lot more sense for farmers and ranchers. And we're very proud of what we did. Unfortunately, it was not taken up by the House leadership, so we will come back again this year and proceed. But in that process of looking at priorities for areas to reduce spending, it's very clear that there's bipartisan support for ending direct payments.

So in the context of sequestration, where we have very tough choices to make right now about possible meat inspections being eliminated for a period of time, or hundreds of thousands of jobs being eliminated from middle class families and all of the other things that could happen, it's been our judgment, and I support moving forward by eliminating direct payments as a way to satisfy the cuts under sequestration, save dollars.

And at the same time, I have written this and negotiated this provision to make sure that we are providing disaster assistance for 2012-2013 for our farmers and ranchers

who really do need it, and so instead of having a direct payment given to folks who don't need it, we need to make sure that we are providing disaster assistance for those that do. We heard this morning in our hearing how critical that is for livestock producers, specialty crop growers and so on.

So our provision will fund disaster assistance and fill the holes in the extension that was passed on New Year's Eve so that we are supporting all of agriculture, and not just part of agriculture, which means we would extend the funding for the energy title and certain specialty crop provisions, organics, the other provisions that did not get funded on New Year's Eve.

We also have written into the language that because agriculture is once again willing to take the lead on deficit reduction and that we are offering a very specific cut by eliminating direct payments, and that this equals more than we would be required to do under sequestration, that we would satisfy sequestration, the ten year sequestration, with this cut, so we would be guaranteeing that we would not have another cut in mandatory spending next year or the year after or the year after.

So this becomes agriculture's contribution to deficit reduction. It gives us a number, allows us to plan, to move forward, to be able to write a farm bill. I'm confident we can write a farm bill within those dollars. It's a net \$27.5 billion deficit reduction, so it's a cut of 27.5. And we would be providing spending of three and a half billion to fund disaster assistance and fill the gaps in the extension that was passed on New Year's Eve. So this will be in the sequester alternative. It would fulfill the non-defense domestic cut that would be required between now and January, and it equals 27.5 billion.

And let me just stress again that agriculture again is leading the way, as we have done both with the Super Committee and in our farm bill, and now as we put forward something that's a common sense cut in unnecessary government spending, rather than seeing irresponsible cuts across the board that would hurt the economy, that would cost us jobs, and would be very harmful to the agricultural economy. So I'm happy to answer any questions.

**Moderator:** If anyone has a question, please press 1 and you'll move into the queue, and then I will announce you to ask your question. The first question will come from Dan Looker. Mr. Looker, go ahead.

**Mr. Dan Looker:** Thank you very much. Senator Stabenow, does the proposed cut to direct payments not affect any other commodity title programs such as ACRE? And I wondered what your advice would be to farmers who can start to sign up for both direct payments and ACRE next Tuesday. This probably isn't all going to work its way through Congress, and you have to get agreement from the House, of course. What would you advise people to do?

**Sen. Stabenow:** Well, at this point, because you're right, as much as this needs to get done, you know, the public wants us to get this done and get a balanced approach

passed so that we don't see these irresponsible across-the-board cuts that are going to cost us jobs, but it is highly unlikely it will get done before then.

And so I'm assuming that, as always, that contracts are honored, that people should proceed to make decisions based on current law, and that the USDA will proceed as they are now. We really can't say, going forward, what happens down the road, but certainly when people sign contracts, the USDA has indicated they'll honor those contracts.

**Moderator:** Our next question will come from Jerry Hagstrom. Mr. Hagstrom, go ahead.

**Mr. Jerry Hagstrom:** Good afternoon.

**Sen. Stabenow:** Hi, Jerry.

**Mr. Hagstrom:** Hi. Now, if this were to go forward, would this mean that in the farm bill you would not have to make any cuts to the food stamps or the conservation programs, which I believe were both cut under last year's bill? And would this have an impact on whether meat inspection could be continued without any furloughs?

**Sen. Stabenow:** Sure. On the first one, if we can get an alternative passed, this absolutely means that we will not have to worry about meat inspections, and what will happen to the economy and what will happen for consumers. That's the whole point of having an alternative, is so we don't see meat inspections halted for any period of time, or 2,100 fewer food inspections overall, or all the other consequences, so that's absolutely true.

And we need to be responsible at this, and frankly, do what we did in the farm bill—make judgments about what is important and what isn't, and make tough decisions and so on. Now, in terms of larger cuts, if this proposal goes through—and I'm hopeful that in some form that this will go through as it moves through the process—this would satisfy the sequester cuts. And so from there on in it's really up to the committee.

We would have to work, as we do, in writing a new farm bill, and make decisions within the committee. But we have been operating, ever since the deficit reduction talks in the Super Committee, on the basis that there would be some required cut under sequestration, so this would solve that. And then if we have other policies that people want to debate, policy changes, program changes and so on, we still certainly would have those debates.

*[Transcript ends, but the call with reporters proceeded].*