

*News Radio 1000 KTOK (Okla. City)*

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Gwin Faulconer-Lippert with House Ag. Comm. Chairman Frank Lucas (R., Okla.)

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*Note:* This is an unofficial transcript of a *News Radio 1000 KTOK* (Okla. City) interview.



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**Ms. Gwin Faulconer-Lippert:** *News Radio 1000, KTOK*, Gwin Faulconer-Lippert here with you on this Sunday evening. Eighty-six degrees in Oklahoma City. Congressman Frank Lucas has been serving Oklahomans for years. He represents the Third Congressional District in our national House of Representatives. He joins me this evening because now not only is he serving us, but he is serving our nation as the chair of the House Committee on Agriculture, and he joins me this evening to talk about the farm bill.

And, you know, the pressure must be immense on you, Congressman Lucas, because as I understand it, according to what I've read, the current farm law expires September 30<sup>th</sup>. And is it true you only have 12 working days to get something figured out before the whole Congress goes on recess?

**Rep. Lucas:** That's a little misleading the way, Gwin, a number of members of the press look at that. Technically the five year farm bill, which we extended for a sixth year, expires at the end of September, but farm policy, the commodity title, actually works in conjunction with the crop cycle, so the first thing that would be directly impacted would be milk at the end of December. The next thing in our part of the world would be wheat when it's cut next summer, then the corn crop after that, and the cotton crop after that.

So it needs to be done by the end of September to provide certainty to producers out there so they know where they stand, they understand what the crop insurance program is going to look like, and when they explain that to their bankers and their spouses and their landlords, they're in a position of knowledge. But yes, there is a sense of urgency about getting this process done.

And for our listeners' benefit, Gwin, while everyone tends to think of the farm bill as the government issues that deal with raising corn or wheat or cotton or

whatever, the commodity title—and that’s a big part of the farm bill, and has traditionally always been a big part of the farm bill—it’s also the conservation programs, conservation reserve program, wetlands, EQIP, just a variety of programs that enhance water quality and air quality, and yes, wildlife habitat out there.

It’s rural development. Those are the things that small communities work on and small water districts work on to try and make sure there’s water and sewage, and the infrastructure issues that make rural America livable. And it’s research. Think of Oklahoma State, a land grant university. Also Langston University is a land grant college. Think about the ag research service stations at Fort Reno and out at Woodward that do basic agriculture research and train scientists. It’s farm credit.

The biggest part of the farm bill, and the thing that probably has been the most controversial on the floor of the United States House is the nutrition title. That’s school lunch, WIC, Women, Infants and Children, and the biggest slice of that is SNAP, the food stamp program, so it’s a bill that provides a safety net to make sure that we raise the food and fiber we need, but it also, at least since 1965, approximately, has provided the safety net for our fellow citizens who are on the tough end of the economic scale.

**Ms. Faulconer-Lippert:** So where do the members of Congress disagree? How come we can’t agree on this?

**Rep. Lucas:** Well, I’m caught in a situation where, in this House of Representatives, this Republican majority, any time you pass a piece of legislation or you reauthorize an act, you have to spend less money. With a \$16 trillion national debt, having run annual trillion dollar deficits for the last four years, the perspective of the House is if you’re going to do something, you have to spend less, you have to make do with less, so part of the challenge that I faced in this bill is how to come up with savings.

And in the bill that passed out of the House Agriculture Committee, by doing away with direct payments and streamlining conservation, on the one hand we saved about \$20 billion. On the other side of the equation, by making some very fundamental reforms in food stamps, the first reform since 1996, things like doing away with automatic food stamps—40 some states have something they call categorical eligibility. If you receive a welfare benefit, you automatically get food stamps without applying. You just get them. What we say in the bill is no, everybody needs to demonstrate their income and their assets, prove they qualify for the program, and we’ll help you. But you’ve got to prove that you qualify. End automatic food stamps. That’s about \$12 billion.

There’s a program that the northeasterners primarily use called LIHEAP, or “heat and eat,” Gwin, where, say, under some might call it a “loophole” in the 1996 Welfare Reform Act, that if the state helps you pay your heating bill for the

month, then you automatically qualify for and receive a full month's worth of food stamps. But there's a half a dozen states that send out \$1 checks that trigger these almost \$200 a month food stamp payments. We say no, you've got to put \$20 of skin in the game, you've got to demonstrate you really want to help your folks. That saves another \$8 billion.

And we end the advertising of food stamps, both in the United States and outside the country, we end hiring of recruiters, I mean, all those sort of things. So what the committee attempted to do, Gwin, was to say we're going to save \$40 billion in not discretionary money, that's annual stuff, mandatory spending—that's the real spending problem—but we're going to make sure everybody, every part of the farm bill participates in these reforms and savings. And oh, by the way, like food stamps, we're not going to take a calorie out of anyone's mouth who qualifies under present law because their income or assets meet the requirements, we're just simply saying no more automatic stuff. Everybody's got to play by the rules, everybody's got to demonstrate it.

Now, where the controversy was, Gwin, my liberal colleagues in the United States House don't want to make any reforms in food stamps whatsoever. They were ballistic over the ending of automatic food stamps, ballistic over the LIHEAP stuff. By the same token, my friends on the conservative side didn't think we went far enough in any of that stuff, and instead of \$40 billion we should have saved 100 plus billion.

So I was caught in the middle where I couldn't satisfy anybody the first pass through, and even though I had a balanced bill, on my first pass through, I, by a few votes, failed to get it done. So we came back with a second bill which was basically just the non-food stamp part of the farm bill, the commodity title, the conservation, all of those things. That's about 20% of the cost of what a farm bill is right now. That passed.

And at the present moment in the United States House leadership is advocating that we pass a freestanding nutrition bill. And that takes me back to the question, again, if my friends on the right think anything's too much in the way of reform and savings, and my friends on the left think that saving anything or reforming anything is unacceptable, Gwin, how do I get 218 out of 435 people to vote with me? That's what I'm working on right now. And hopefully, by the end of this week, either we can come to a consensus bill that the majority will support on the nutrition title or we'll just acknowledge it can't be done and I'll go on to conference with what I have—the Senate's already passed their bill—and we'll work out our differences.

But yes, I'm caught between a rock and a hard place. I am being pelted with political stones by both sides. But I'm very proud of the work the committee did because quite literally, \$40 billion in savings, savings through reforms that touched every part of the farm bill, not just picking on any one particular sector or group, but everybody participated in these savings, and the first real mandatory

spending cuts to clear any committee this year, real cuts. So if I'm a little worked up, it's been quite an adventure.

**Ms. Faulconer-Lippert:** I cannot imagine how this works. And the people against you are criticizing farmers—and they included you in this—of taking subsidies while taking the food out of the mouths of children.

**Rep. Lucas:** That's my friends on the left. And their attack is they're just looking for any reason to go after members of the committee. And when you're a farmer—and Lynda and I have a cow/calf operation and wheat in the Third District of Oklahoma, we only participate in the drought disaster related livestock stuff. I've never actually signed up for the annual direct payments that are going away. But we've been criticized for that. I just note that it's one of those things where they're looking for an excuse to go after me from the left. And my friends on the right quite literally don't want any safety net.

But I'd remind some of our listeners, as the direct payment goes away—that's the old traditional safety net of the last three farm bills—the shift is over to crop insurance to address both weather and price. But it'll be a system by which you have to pay a premium to participate. And when Mother Nature smiles on us, which isn't always the case in Oklahoma, you'll get nothing back, but you'll have to pay the premium to participate in the program every year if you want to be there. On the price side, you'll still have to pay a premium to participate, but it will only help you when they're bad years.

Right now under the direct payment system you get the annual payment no matter how good or bad conditions are, you get the same payment. At least by shifting this focus to insurance everybody will make a premium every year who wants to participate, and they'll only benefit from it when conditions are bad, it'll only help you when you really need help. In the good years you'll get nothing out of it, but you'll pay the premiums, just like the way insurance works on everything else.

**Ms. Faulconer-Lippert:** So are you receiving support from Oklahomans?

**Rep. Lucas:** Yes. Actually, my fellow Oklahomans have been very good. We've been through, in 2011 and 2012, what can only be described as an epic drought, which is now broken in the central and the eastern parts of the state. On the west side things have greened up, but we don't have any subsoil moisture. We're not out of this yet. But my neighbors understand just how tough Mother Nature can be on us. They appreciate that.

And I think the producer groups understand going away from the old direct payments and over to this other system of where you have to pay in to participate, but there's no certainty of return from the program, they understand that's just where we've got to go. The nutrition groups in Oklahoma know that I'm very, very, very supportive of the food kitchens and those kind of things and TEFAP,

which helps the food banks. We actually do a substantial job of bumping that up because that's a really successful mixture of private efforts and charity groups working with resources.

And on the nutrition side, on the food stamp side, I should say, even at that, the bill was crafted very carefully by the committee so that if you have income problems, if you don't have any assets and you qualify under existing law, we're still going to help you. Just no more automatic food stamp, no more having a state spend a dollar so the state will get \$200 a month out of the federal government. No more of that stuff. And with a 16, now almost \$17 trillion national debt, we can't afford those kind of giveaways anymore.

**Ms. Faulconer-Lippert:** So the state was benefiting from their citizens' demise?

**Rep. Lucas:** If you were in a state that does the \$1 LIHEAP, you send your citizen a \$1 check, that triggers an approximately \$200 food stamp payment. The food stamp money comes from the federal treasury, so that means \$200 would be coming from D.C. into your state. Spend \$1, get \$200 out of the treasury, many people, Gwin, would call that mining the taxpayers.

**Ms. Faulconer-Lippert:** All right, that's a good place for us to stop just for a little while, for three and a half minutes. Talking to Congressman Frank Lucas. He is the House Agriculture chair and he is here with me to talk about legislation that needs to be attended to here very quickly. We'll talk more with him in just a moment.

You're listening to *1000 KTOK*. Let me remind you this will turn into a podcast tomorrow afternoon. You can go to *KTOK.com* and download it yourself and listen to it again. We'll have more with Congressman Lucas when we come back. You're listening *1000 KTOK*. I'm Gwin Faulconer-Lippert.

[*Break.*]

**Ms. Faulconer-Lippert:** *News Radio 1000, KTOK*, Gwin Faulconer-Lippert here with you on this Sunday evening. Talking to Congressman Frank Lucas. He is the House Agriculture Committee chair and he has his hands full in that he's got to get a lot done in a little amount of time so that farmers such as himself and the nation will have plenty of food and food to choose from.

I'm always impressed, Congressman Lucas, by the fact that we take this for granted, if I could just say it that way. We kind of take the farming community for granted until there's maybe a drought and we hear about it. Now, as I understand it, though, right now there's this impasse, and you want the conference committees to go ahead and meet even though it hasn't been officially passed out of the house?

**Rep. Lucas:** Actually, Gwin, for the benefit of our listeners, when the House and Senate pass bills that are different from each other, unless they adopt one or the other's

language, we have to go do something called a conference committee, take the House passed version, the Senate passed version and work out the differences. Right now, when we couldn't pass a comprehensive bill in the House, we passed the non-food stamp sections, the other 11 of the 12 titles—the commodity title, conservation, rural development, all of those things.

The Senate has passed a bill with food stamps in it and they're waiting to conference. If we in the House cannot work out a freestanding food stamp bill, it's my view that we need to acknowledge that we can't achieve consensus and just move forward, take the non-food stamp bill that the House passed and then sit down with the Senate and begin to work out everything.

Now, there are differences the between House and Senate versions. For instance, in the House bill we saved approximately \$20.5 billion by making reforms in the nutrition program, food stamps. The Senate actually saves about four, four and a half billion. They only do the LIHEAP issue. They leave the categorical eligibility—some people call them automatic food stamps—in place. So there will be some difficulty and some challenges in working out the differences, but it's time, one way or the other, to get to conference, sit down with the Senate, and sort this out.

I know they're not going to want to save as much money as we want to in the House, and this is going to be a mighty struggle, but we do agree on some things like ending the old direct payments and moving this focus on crop insurance. We all acknowledge that we've got to streamline and make the conservations title more efficient, CRP and all of those kind of things. We all agree on that. We all agree that we have to maintain agricultural research. We have some differences on how the commodity title should work. The Senate has more of a Midwestern focus. The House adopts the attitude that if it's going to be a federal farm bill, then it should work for all commodity groups and all regions, so we've got to work out those differences.

But ultimately we need to get to conference, we need to work out what we're going to do, how much money we're going to save, how many reforms we can all agree on, and bring it back to both bodies for their consideration because whether it's the safety net that affects our friends on the economically fragile side of the equation, food stamps, however you want to describe it, or the safety net that makes sure that we raise enough food and fiber on the side of the bill that raises the food, those things need to be there, and they need to be there so that when people are hurting, when things beyond their control are occurring, we can help.

But in good times we don't want to spend any money, we don't want to have any exposure to the treasury, and how we work all that through is the big challenge. And then ultimately, remember, you've got to get President Obama to sign the bill. And this is a White House and a President that have a very limited understanding of rural America or how our food and fiber is raised, and that

presents special challenges, too, when you've got somebody who's so far removed from the countryside.

**Ms. Faulconer-Lippert:** Is there an automatic thing like sequestration that will kick in if the—

**Rep. Lucas:** Well, in the way the federal law works, if we're not able to work this out, if nothing happens on the food stamp side, when the Democrats wrote the basic law, my liberal colleagues wrote it, they wrote it in such a way that this is an appropriated entitlement. What that means is that if the Senate wants to keep funding it, they don't actually have to reauthorize it, they can fund it through the appropriations process instead of under regular authorizing law, so if nothing happens, I suspect the food stamps just go on at their present level, no \$20 billion in reforms, it just keeps on going.

But on the commodity title, which was written in a different time originally, if this law expires, we don't just keep using this law the way they do food stamps, we go back to 1938 and 1949 laws, Gwin, and they're based on the world when Franklin Roosevelt was President, when Harry Truman was President. From a farmer's perspective that means allotments, that means quotas, that means the concept of parity, of production yield records.

Now, some of our friends out there who have heard of this parity concept will say, well, \$18 wheat, hallelujah, three times what it is now at the elevator. But under the '49 law you can only raise wheat where wheat was being raised in 1949, and that parity price is only based on the production history of the property in 1949, so while it might be three times more than the cash price of wheat right now, Gwin, in 1949 a typical crop was one-fourth of what it is now.

Think about the improved variety of seeds we use, the improved fertilizer programs, the improved management practices. We do a whole lot more with a whole lot less now than we did in 1949. This would just be a train wreck. So we can't go back to the '38 and 1949 law. That's the twelve ton gorilla hanging over our shoulder starting this fall and going into next spring.

**Ms. Faulconer-Lippert:** Congressman, I thank you so much for making time for me on a Sunday night. I hope this is a great week. Hang in there.

**Rep. Lucas:** Thanks, Gwin. We'll visit again I'm sure.

**Ms. Faulconer-Lippert:** Alrighty, bye-bye. Congressman Frank Lucas. And if you'd like to hear this interview again, go to *KTOK.com* tomorrow afternoon. It'll be posted there. You can download it and listen to it. There's a lot to understand about the farm bill, and I know as Oklahomans, we should listen. You're listening to *1000, KTOK*.

[*End of recording.*]