

AgriTalk

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Mike Adams with House Ag Committee Ranking Member Collin Peterson (D., Minn.)

Note: This is an unofficial transcript of an *AgriTalk* interview.



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Mr. Adams: Good to see you. Good to be here in person with you in your state of Minnesota. And you were telling me that you feel pretty good, pretty optimistic that things—

Rep. Peterson: Well, I don't know about good, but...

Mr. Adams: Okay, we won't go too far. But there are some positive signs, right?

Rep. Peterson: Well, yeah, I've been pretty frustrated, and as Senator Klobuchar indicated, a little negative the last few weeks because I just didn't see anything going on that needed to go on to get this done. What happened on Wednesday I think was positive because nobody really laid down any markers, and everybody was pretty upbeat about wanting to get this thing done and work things out, which, we had a couple outliers, but by and large it was pretty good. I was kind of afraid we were going to get people locking themselves in more, but that didn't really happen.

After that meeting I've been, for the last couple weeks, pushing Chairmen Lucas and Stabenow to get with getting this thing worked out. We've done all the staff work. What needs to be done now is the tradeoffs that can only be made between members. And that's been part of why I've been concerned, as the time runs out here, that the process that needs to be happening isn't happening. I've been through this before, so I know what needs to be done.

After the meeting we got together and, you know, the Senate was out last week, so we couldn't do anything. Now we're out next week. But I've got to call Frank Lucas right after the show here, but I'm pretty sure he and I are going to go back to Washington Monday night, even though we're not in session. And from what I can tell, people are in the mode now to get the four of us to get to work next week and potentially settle most of these issues by the end of the week.

Now, we're going to have to—if we can get to the point where we can put these proposals forward that we might be able to live with, then we've got to get them scored by CBO and some of that kind of stuff, but I'm optimistic after the meetings that happened Wednesday and yesterday that we're going to finally get in the room, spend some serious time and get this worked out, and that's what needs to happen. And it has not happened for the last two, three years.

Mr. Adams: We'll get into some of those issues in a moment, but you have been adamant in saying you do not want this farm bill rolled into a bigger budget deal, you want it separate.

Rep. Peterson: It won't be. We were at the White House yesterday and they assured us that they have no interest in that. We have no interest in that. We're going to go ahead and get this thing done. I think it's much more likely that we'll get the bill done than the budget will get done. They've got big problems. And we might actually carry the budget rather than them carry us, at the end of the day. It depends on how this sorts out.

So I, you know, we need to get this thing wrapped up before Thanksgiving. And that's why I implored them, let's come back next week. We have next week and the week after, and I think a couple days a week after that. We can get this thing done. And we need to get this done, wrapped up before Thanksgiving. Now, if we can agree on the conference committee, that doesn't necessarily mean that this is going to pass. That's another problem.

Mr. Adams: Right.

Rep. Peterson: Because what can pass the House maybe can't pass the Senate, and vice versa. So this is a problem. And it's going to take some judgment on our part to try to figure out where that sweet spot is. But I think at the end of the day people are coming to recognize that it's probably going to take a significant majority of Democrats, along with some Republicans in the House to pass this, similar to what happened to get the government shutdown over with. I think that's where we're heading. We think we can get there. But there's some land mines, and so this is not a slam dunk. Even if the conference committee comes in agreement, there's still a possibility that could fail on one or the other floors.

Mr. Adams: Real quick, you're not being told by anybody here is the sweet spot, get us to there, and then we guarantee it can pass.

Rep. Peterson: No. Well, nobody else knows enough about this to be able to tell us what that is. We generally have had people bringing in demands, people from outside that have no idea what they're doing. You know, like when Cantor blew up the bill on the floor in June, bringing in this issue. We had this all worked out. You know, and we may have been done by now.

But at this point, Boehner wants to get this done. I'm not sure where Cantor's at, but Boehner wants this off his plate. The President wants this done, we want it

done. As long as somebody doesn't come in and put down some kind of demands that make it a poison pill in one body or the other, I think we can get there. But it's going to take, you know, some judgment to try to figure out where that sweet spot is.

Mr. Adams: All right, let's get into some of the specifics. Let's look at nutrition spending, which is still that big issue that's out there. We heard Senator Stabenow say the cuts that are starting today, November 1, in nutrition spending, some are projecting that those could be as much as \$11 billion. And she says take that 11 billion and the 4 billion we passed in the Senate farm bill, then you have 15 billion, and that's where we could go with as far as cuts in nutrition spending. Will that fly, you think?

Rep. Peterson: No, that won't fly, and I think she knows that. She's trying, you know, I mean, this \$11 billion in cuts, this was the stimulus that was done, and they're running out, you know, so these were things that didn't exist if we wouldn't have done the stimulus. And one of those who didn't vote for that because I disagreed with how they did it. But, you know, if it helps to...

You know, one of the problems with nutrition is it's got focused on numbers, you know, now 40 billion versus 4 billion. There's a lot of policy issues here that need to be resolved, and everybody's kind of forgotten about that. And everybody's looking at the number—is the number going to be 4 billion, or 40 billion, or 20 billion, or whatever. I wish we could get back to policy, and have us do the right things policy-wise, and see where that number comes out.

Senator Stabenow says, and I believe her, that she cannot go to double digits. So that's why I was so upset when they did what they did on the House floor, where they voted for 40 billion, because all that did was make it that much more difficult to get a final resolution. If we'd have been at 20, where we were in the, you know, we could have got this done much easier. Now you've got people voted for 40. It's going to be hard for them to vote for 9, even if you add the 11 to it and say it's 20.

So that's why I say, at the end of the day, if you're going to get a bill that the Senate can pass, then you're going to probably need a majority of Democrats to vote for that. Now, we got work to do to get the Democrats to vote for 9 billion, too, in the House, some of them. But I think we can make that happen.

And I've got Nancy Pelosi, who has been a great supporter of ours all through this process—and she was the last time as well—she will help me get those votes once we get this thing done. So this will be one of the main things we're talking about next week when we get together. It's probably going to be the last thing that's settled, though. We're going to settle everything else first and then, you know, figure out whatever that number is that's going to get us home.

Mr. Adams: The other area of contention—there are several—but another big one that you've been very involved in, and that's dairy policy reform. And it seems now

to be down to whether or not there are production control mechanisms included in it or not. Where does that stand? What's the feeling in that conference committee?

Rep. Peterson: Well, the main conferees support the bill that I put together. The problem is it got defeated on the floor of the House because some misinformation was put out there, and people have come up to me afterwards and said, well, I didn't know what I was doing, you know, they voted wrong and so forth.

So the problem is we're getting rid of the old system, and we're going to a new insurance system where you're going to be able to insure the amount over your feed cost. It's set at about 6.50 what...the number that you can afford. To give you an example, right now it's \$9 over feed cost, so if you want to equate it to where we are now, you'd be able to insure 6.50. That's not going to be a profit, but it'll keep us from going back to \$11.

The trouble is we've made this relatively cheap because it's a voluntary program, and so people don't have to sign up. And we just felt like if we didn't make this relatively cheap, dairy farmers would not do this. So the other problem we're worried about is, okay, so you set this system up, and the dairy farmers are protected up to a certain level, and then we overproduce, we get into an overproduction situation, and there is no mechanism to rein those farmers in. They're still going to get what they insured for. If we've got too much milk, what are we going to do with it? So that's why we have the stabilization fund.

And philosophically, Boehner's against that, some other people. But this is only a five year deal. First of all, it's voluntary. We've got triggers in it, you know, we did a bunch of stuff. And then it's a five year deal, it's going to sunset and we are going to turn it over to RMA and private insurance companies after five years and it will have to be actuarially sound at that point, which means the premiums will go up, but we think by then farmers will see the value of this and it will work like the rest of the crop insurance system works. So we think we're on the right track. Boehner is off on this other deal. The problem is, as Speaker, we can work this out, and then he can say, well, if that's in there, I'm not going to allow this to come up for a vote. And that's... I don't think he dares do that, but it's going to be a shootout at the OK Corral here.

Mr. Adams: So whatever comes out of conference committee, there's still that cloud of uncertainty of whether or not it gets passed on the floor.

Rep. Peterson: Well, I mean, you know, as I said in my opening remarks, if the leadership leaves us alone and lets the conference committee and the ag people do this bill, it'll be fine. If they muck around in this thing, they could kill it. But the thing is that if we don't get this bill done by the end of the year, we're going to permanent law. And permanent law is 39 bucks a hundredweight on dairy. Now, I've got a lot of dairy farmers say, hey, great, you know. And it would be, for a while, but it's not sustainable. So the option of doing nothing is not possible,

because we're going to permanent law if we do nothing. And that's not workable either, so...

Mr. Adams: What about conservation compliance with crop insurance?

Rep. Peterson: Well, the Senate says they have to have it. They've had votes on it where it's passed by a significant margin. I think, at the end of the day, we're going to have conservation compliance. But I have been working on this, that if we have to have it—because right now the House is not for this—but if we have to have it, the insurance companies will not be responsible for policing this, so they won't have to decide whether somebody is in compliance or not. They can go and sell insurance just like they do now. Don't have to worry about that. And if that farmer is out of compliance, the insurance companies don't have to collect the money, the USDA does. So I don't want it to muck up this system, if we're going to end up putting it in there.

But my reading of the Senate is that I just don't think this final thing is going to get put together unless it's in there. And that causes heartburn on our side of the aisle, but this is the stuff that we have to work out next week. We have to get in a room. We have differences on the commodity title, we have differences in nutrition, we have this conservation compliance issue, we have payment limitation issue on crop insurance. These are tough things that we have differing views on between the House and the Senate.

The problem is the Senate has voted on a lot of this stuff, and there's been 70 to 80 votes in the Senate for some of these things like payment limits, so how do they go back to the Senate and take out something that got that many votes? So those are things that we have to work out. And the four of us are the ones that are going to work that out, so we're going back next week. Hopefully we can sit down and horse trade and get this stuff in shape and get it scored by CBO and get this thing done. It's been dragging on for four years. You know, I mean, it's...I'm tired of it.

Mr. Adams: It's about time, yeah. But nobody in the comfortable committee—you didn't hear anybody say, okay, I have to have this or it's a deal breaker, nothing's going to happen?

Rep. Peterson: Well, no. The only people that have said that has been me, and I probably shouldn't have said that. But in the case of dairy, I am not going to do the Goodlatte deal because it's going to put the government on the hook for billions of dollars, and I am not going to do that. So if we don't get the dairy bill that I put together, then we're going to keep current law at the 2008 level, which means MILC goes back to 45% and it costs one and half billion dollars that we don't have.

But we're not going to do the Goodlatte. It's either going to be the Dairy Security Act or current law. And the committee is behind me on that. So we decided, I think pretty much this week, that we're going to put the Dairy Security Act with

these sunsets and so forth in there, and apparently it's my job to go tell Boehner, which won't be pleasant. But anyway, you know, it's...

Mr. Adams: I'd like to be a fly on the wall for that conversation.

Rep. Peterson: John and I are good friends. And I actually talked to him about this three or four times. We haven't resolved it. But it's like anything else in Congress, until it comes down to the end, you can't get anybody to move. And now we're at the end, and it's time to move and get this thing worked out. And hopefully that'll start happening next week.

Mr. Adams: Congressman, thanks for being with us and giving us kind of a look behind the curtain to see what's going on in the conference committee. Good luck to you. Thank you.

Rep. Peterson: We'll need it.

[End of recording.]