Mr. Adams: And welcome back. Well, a couple big questions. One, I guess we could talk college football, a lot of questions there, but… And our next guest probably has some thoughts on Oklahoma, Oklahoma State, and that is Oklahoma Congressman Frank Lucas, Chairman of the House Agriculture Committee. Before we get to the farm bill, do you want to talk a little football there, Mr. Chairman?

Rep. Lucas: Well, in all fairness, Mike, my constituents back home know that I am a Oklahoma State graduate, class of 1982, Ag Econ, so while I have great respect for the neighbors down in Norman, my heart, on a very cold morning in Oklahoma, is with the Orange, and I think we’ll continue the amazing run.

Now once we get past that game, which is a big, big, big game, then it looks like we’ll have a chance to play in another BCS Bowl. You have to remember, Mike, we’ve come a long way. The first college football game I went to my first year at Oklahoma State, Nebraska came to town and beat us 36 to zero, so we’ve come a long ways since the first time I went to an OSU football game.

Mr. Adams: For sure. Now, how far have you come on the farm bill? Are you anywhere close?

Rep. Lucas: Well, that’s almost as miraculous as OSU’s football turnaround. We’re not quite there yet, Mike. I think my colleague Chairwoman Stabenow said so, so I’ll repeat it again, we have another principals meeting tomorrow—Senator Stabenow, Senator Cochran, Congressman and Ranking Member Peterson and myself. I look forward to see what the Senate will put on the table tomorrow. But we’re at the point in time where it should be possible to conclude this process.
But as you and I have discussed many times, Mike, there are some very philosophical differences. The House perspective on how many dollars in the nutrition savings, reforms to have, the difference between the House and Senate perspective on what kind of a safety net we have in the commodity title.

That’s an example of where the House started wanting to use base as a way to calculate the programs and the Senate wanted to use planted acres. Then the House moved to plant it up to base as an effort to try and compromise. Then the Senate moved from planted acres back to base, and I and my economist have been working hard to come up with a way to make base work, to decouple.

But the bottom line is this: it’s time, Mike, for this to be over with. I think it’s doable, I think it’s achievable. Can I have a bill passed across the floor of the United States House in the next ten days? Man, that’s a lot of drafting and CBO scoring and a lot of things to do. But it is possible to have an understanding, a set of principles laid out, a text that the lawyers could work on with the economists to complete so we’d be back next January to finish the final job.

But once again, you and I have discussed before, this is a body that moves like a snail, the United States Congress, House and Senate. But sometimes it’s amazing the light speed with which things can be accomplished if everyone agrees. We’re just not quite to that light speed position yet.

Mr. Adams: Do you still see the farm bill as a standalone bill, or does it get rolled into some type of a budget package?

Rep. Lucas: I personally view it as a standalone bill. I believe…well, let me word it this way, Mike. I’ve said all along that we would achieve savings, because in the House of Representatives, the mission in the last three years has been to reduce spending, to get a grip on the federal debt, the annual operating deficit, so we’ll spend less. That means we, through reform, will achieve savings—I would hope substantial savings.

Any kind of a budget deal that sorts out sequestration, that enables the appropriators to do their work this year and for the coming year requires substantial savings. I’ve always known that when we achieved our objectives here that those resources would be available in other areas. But the bottom line remains, Mike, you can’t have my money ‘til you have my policies.

And I think Speaker Boehner’s acknowledged that by saying in recent days repeatedly that the budget process is not driving the farm bill, the farm bill is driving the farm bill. We do our work, the savings can be used somewhere else, but I think a freestanding bill, unless perhaps they need to attach a budget deal to some piece of legislation, and oh well, a good, clean, solid farm bill that provides a safety net, that takes care of rural America, meets the needs of the consumers, we’ll pick up a few hitchhikers if we need to.
Mr. Adams: How much direction are you getting from your leadership, from Boehner and from Cantor? Are they telling you gotta have this, you gotta be in this guideline or it won’t work? Are you getting any of that direction from them?

Rep. Lucas: As we began the process, there were some pretty clear signals—how important work was in welfare reform, making sure that people have an opportunity, if they’re able-bodied citizens, to demonstrate their willingness to work for their help. Clearly the Speaker is very concerned, from day one, about supply management in dairy. Clearly the body as a whole said you’ve got to have reforms in all sections of the bill, you’ve got to save some real dollars.

But I have to compliment leadership. They’ve let the House conference committee try to do its work. They’ve allowed me to try to do my work. And I’m very respectful of that. They could have micromanaged me, but they have not.

Mr. Adams: At this point, how likely still is an extension? And if you have to go to an extension, do you think it would be a one-year or two-year extension?

Rep. Lucas: In my mind, Mike, I look back to the 2008 Farm Bill when then Chairman Peterson and then Chairman Harkin, on something like eight different occasions, extended the farm bill from a matter of days to a matter of months. If you have to have an extension—and I don’t want to do that, I just want to do my work—short-term is the answer, not long-term. You need to provide encouragement to complete this.

Those who say, well, let’s just push off the big decisions for two years aren’t realistic about the environment we’re dealing in right now—the hostility towards the direct payments, ‘cause that is the fundamental safety net of the existing farm bill. Can you actually continue the direct payments for two more years? Senator Stabenow’s on record in being in opposition to that.

Remember in the bill that Peterson and Harkin put together in 2008 there were about $8 billion in programs that had no permanent funding, no baseline, they were temporarily funded, from livestock feed assistance on down. If you just do a two-year extension, those programs are still unfunded. And a lot of that is fruits and vegetable type program things, too. They’re left out in the cold. We just need to get our work done, Mike. We just need to get our work done.

Mr. Adams: Is there any chance—I mean, the threat is our there of reverting back to permanent law, and that kind of provides some pressure to get something done—but realistically, is there any chance that’s going to happen?

Rep. Lucas: If the wheels fall completely off, if we would have a total meltdown and be part of a system-wide meltdown, it is certainly a possibility. But I would tell you, as I’ve told many people, ask the Secretary of Agriculture about what is involved in implementing the ’38 and ’49 laws, whether it’s dairy or the other commodity titles. Watch his eyes dilate. That’s the same kind of feeling I have about reverting to permanent law. It is not doable.
But that said, we still have to complete our work. How many times, Mike, have you and I discussed if we could craft a good, solid, 2013 Farm Bill, it should be the farm bill law to replace the old ’38 and ’49 law. Now, nobody apparently in this town except for me supports that concept, so it’s probably not going to be the case.

But what you have in the form of the ’38 and the ’49 law are unsustainable, unmanageable, un-implementable. It’s a great threat, but ultimately, at the end, we are so outnumbered by non-members from the rural areas, if they had to, they’d just repeal the permanent laws and we’d not have anything.

Mr. Adams: I know you’re optimistic and trying to stay optimistic, but realistically, from what you know of and what you’ve heard in the negotiations in the conference committee, and the differences that you outlined that are still there, what gives you any reason to believe that you can get through all that now in just the next few days?

Rep. Lucas: I think a set of understandings about the final draft of the bill can be achieved. I think it is possible then to leave, for the remainder of December, the final drafting, and the scoring, and the verification of the details by CBO and USDA in the hands of folks so that when we would return that first week in January, that it could be implemented. It is possible to do that, even if I can’t now physically get a conference report across the floor of the United States House in the next ten days. I just don’t know that that’s physically possible. But it can be done.

Will my good friends be able to, in the conference and among the principals, to be able to come to a consensus about what the common good is? It’s sort of like the question about base acres, or planted acres, or planted up to base. I can come up with, and my economist can come up with, almost any option that will work, but all of the people we play with have to stop and fix on a particular principle. If this notion of decouple is the most important thing, if base is the most important thing, then we can make it work for the orphan acres and all the other things. But the folks I deal with have to be willing to stop and say this is the point, this is where we lay the foundation, this is what we build off of.

Mr. Adams: Real quick, less than a minute. In the conference committee are you putting together what you as conferees think should be there, or are you thinking this has to be what will pass when we take it back to the floor?

Rep. Lucas: Mike, no matter how perfect a document is, no matter how great the policy, no matter how great the economics, if it is not politically doable, then it is a wasted effort. I have to have a document that is good for rural America, good for production agriculture, ultimately good for the consumer, yet something that can pass both bodies and be signed by the President. That means not everybody will be happy. But that’s just the way it has to be done in this very divisive environment we work in.
Mr. Adams: All right. Well, we look forward to hopefully hearing something after you meet this week. And maybe you can come up with that framework that has been so elusive so far. We hope so. Thank you very much.


Mr. Adams: Take care.

[End of recording.]