

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

it's not addressed: the farm bill.

Dec. 10, 2012

The political debate over the so-called fiscal cliff has overshadowed another piece of legislation that could have a significant impact on farmers, consumers and the poor if it's not addressed: the farm bill.

This sweeping measure, which expired Sept. 30 and is worth about \$284 billion over five years, guides most federal farm and food policies — including subsidies for struggling farmers, food stamps and nutrition programs, conservation, international food aid and trade.

“Without action by the House of Representatives on a multiyear food, farm and jobs bill, rural communities are today being asked to shoulder additional burdens and additional uncertainty in a tough time,” U.S. Agriculture Secretary Tom Vilsack said last week.

Dennis Miller, who said he quit raising steers several years ago because it didn't pay and now raises 50,000 chickens on his Perry Township farm, said failure to resolve the farm bill or the fiscal cliff would be devastating.

If the Bush tax cuts on the middle class expire, it will exacerbate a financial situation already stressed by higher fuel and feed costs, he said.

“I won't be able to get by, to expand, buy newer equipment or do anything,” Miller said. “It could put us out of business.”

Congress is still focused on avoiding the fiscal cliff, but there was still optimism that some action would be taken on the Food, Conservation and Energy Act, the formal name of the farm bill.

There are three scenarios: No action, an extension of the existing bill, or outright

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

That's pretty low hanging fruit, Howes said.

Pennsylvania Farm Bureau President Carl T. Shaffer, a farmer in Columbia County, expects Congress to punt the bill into 2013 by passing a 1-year extension of current law. That's because doing nothing is unthinkable. It would automatically reset farm policy to an act signed in 1949 and cause milk subsidy payments to balloon, resulting in rising prices for consumers.

"We may think our legislators aren't the smartest people in town, but they're not that dumb," Shaffer said.

Small farmers worry

But that extension could leave many farmers strapped if it doesn't include funding for crop insurance and other programs, he said.

Caernarvon Township dairy farmer Tim Kurtz, who has relied on milk support payments and conservation grants available through the legislation, said the bill should have been adopted months ago.

"My guess is at 11:30 p.m. on the last day they'll put something in," he said.

But will it be a good bill, or a watered down, last-minute version full of holes, he asked.

"The longer (the debate) goes the more I'm concerned that it will be inadequate," he said.

Failure to pass a bill would hurt the small farmer most, said Theresa Tracey, executive director of the USDA's Farm Service Agency in Berks County. The agency administers federal farm programs.

Small farmers, who have smaller cash flows, depend on farm subsidy payments such

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

And all of this comes at a time when dairy farmers are being squeezed by high feed and energy costs, and low milk prices.

Conservation funding

Failure to pass a farm bill would also affect conservation programs designed to help farmers reduce the flow of animal wastes, sediment and chemicals into the water supply.

The farm bill makes grants available to help farmers buy equipment or build systems needed to meet federal environmental requirements, said Daniel Greig, executive director of the Berks County Conservation District.

The biggest hit would come from cutbacks in technical service provided through the USDA's Natural Resources Conservation Service, he said.

"What we may see is a continuing resolution," Greig said. "But if they don't resolve the fiscal cliff it doesn't matter if there is a farm bill or not; those cuts will go across the board."

He was referring to the so-called sequestration requirement lawmakers imposed when they previously failed to reach a deficit reduction plan: If Congress fails to agree on a plan to reduce the deficit, all agencies of federal government, with the exception of veterans' services, will have their budgets cut by 10 percent.

Supports needed

Several Berks farmers said they were willing to do their part to bring federal spending down, and felt they had done so. Most noted that the bulk of spending in the bill, 80 percent, is for food stamps, not agriculture.

Indeed, most of the debate over the two bills pending before Congress is focused on

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

agreed. Crop insurance is a necessity now, he said. Lenders demand it.

“A lot of producers wouldn’t stay in if we had a disastrous year here like the Midwest had,” he said. “You couldn’t stay in business. We couldn’t stay in business.”

Whatever happens, most farmers will weather this political storm, Beekman said, because they’re “glorified gamblers” at heart.

“We take larger risks than most people would ever dream of,” he said. “And you go with the flow and you deal with it and you go on.”

(Reporter Jamie Klein contributed to this story.)

Contact Garry Lenton: 610-371-5025 or glenton@readingeagle.com.

Copyright 2012 – Reading Eagle, Pa.

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved