

US House Lawmakers Offer New Farm Bill Plan At Conference Mtg
(Dow Jones Newswires, DC)
By Bill Tomson

Agriculture leaders in the U.S. House of Representatives unveiled a new farm bill proposal during a meeting Thursday with their Senate counterparts on a conference committee tasked with forming unified legislation over the next several days.

House Agriculture Committee Chairman Collin Peterson, D-Minn., told reporters that he expects Senate conferees to take the next few days to scrutinize the proposal and perhaps make a counter proposal as early as Monday.

The new House plan would go \$5.5 billion over the farm bill budget, a sharp drop from the \$10-billion-over figure that senators have been planning, but Peterson said he did not want to include a controversial \$4 billion farm disaster program.

Senators have entwined the disaster program - a fund sought for farmers that get hit hard by natural calamities - with a \$2.5 billion package of tax credits not related to agriculture issues, he said.

"They're the ones that tied this together," Peterson said about the disaster program, "and they're the ones that are going to have to untangle it."

And it will be senators, he said, who will have to come up with a way to fund it without using revenue-raising tax measures that administration officials have promised would elicit a veto.

There is controversy, though, in the new House proposal as delivered by Peterson and Rep. Bob Goodlatte, R-Va., the ranking member of the House Agriculture Committee.

This proposal contains provisions that are opposed by President George W. Bush's administration.

The new House plan ignores the U.S. Department of Agriculture's request that farmers with more than an adjusted gross income of \$500,000 be denied subsidy payments. Instead, the Peterson-Goodlatte proposal stipulates that only farmers with a \$500,000 AGI in non-farm income - outside agriculture-related income - be denied.

Furthermore, Peterson and Goodlatte refused to remove a provision to protect U.S. sugar farmers from imports by guaranteeing them 85% of the domestic food market. The USDA would be forced to buy up sugar surpluses and sell it to ethanol refiners, which administration officials adamantly oppose.

The new House plan does not depend on the tax measures that have, in the past, provoked veto threats from the White House, but it does contain one previously un-debated revenue raiser that the administration had hoped to use to help cut the federal deficit.

House farm bill conferees hope to use a "credit card compliance measure" straight from Bush's budget proposal to fund \$5.5 billion in over-budget spending.

Administration officials may be against lawmakers appropriating the tax measure to pay for farm bill spending, Peterson said, but key Republicans in the House are proponents. The measure, he said, would force credit card companies to more accurately report transactions that are expected to uncover more taxes owed to the government.

House and Senate farm bill conferees are under a tight time constraint with just eight days left before the latest extension of the 2002 farm bill expires on April 18.

USDA Secretary Ed Schafer said recently that Bush would likely sign another short-term extension, but only if Congress was able to show significant progress in completing the 2008 farm bill.