Senate Defeats Effort to Cut Subsidies
(Associated Press)

The Senate on Tuesday blocked the first of several planned attempts to slash farm subsidies in the $286 billion farm bill.

The Senate rejected, 58-37, an amendment by Sens. Richard Lugar, R-Ind., and Frank Lautenberg, D-N.J., that would have phased out most farm subsidies and replaced them with stronger crop insurance for all farmers. The money saved would have been shifted to nutrition and conservation programs designed to protect environmentally sensitive farmland.

Farm-state senators lobbied against the amendment, saying it would be too drastic a change for the agricultural sector.

"It just moves too far, too fast," said Senate Agriculture Committee Chairman Tom Harkin, D-Iowa.

Lugar said current government farm programs benefit the wealthiest farmers and should be scaled back as crop prices are hitting all-time highs.

"There has never been a better time for farmers to change," Lugar said.

Supporters of the legislation are pushing for final Senate passage before lawmakers adjourn for the year. The five-year bill would extend and expand crop and dairy subsidies along with popular nutrition aid programs, including food stamps. Most of those programs have been operating under a temporary extension since the last five-year farm law expired Sept. 30.

Democrats and Republicans bickered for a month over how many amendments could be offered to the bill, finally agreeing last week that each party would offer 20 amendments. Several of those amendments are designed to scale back the government's massive agricultural subsidy programs.

The Senate is expected to vote later this week on an amendment sponsored by Sens. Byron Dorgan, D-N.D., and Charles Grassley, R-Iowa, that would limit overall farm payments to $250,000 yearly per married couple. The current limit is $360,000. Southern lawmakers have traditionally opposed attempts to limit the payments because crops grown in that region, such as rice and cotton, are more expensive to grow.

A separate amendment offered by Sen. Amy Klobuchar, D-Minn., would bar farmers making more than $750,000 from receiving government payments. The overall bill would limit the amount of subsidies paid to those who don't make a large portion of their income on farming, but puts no new limits on farmers.
Meanwhile, Senate Majority Leader Harry Reid, D-Nev., indicated Tuesday that an expanded renewable fuels mandate for gasoline production would be part of the farm bill. A similar provision is included in stalled energy legislation, and supporters want to include the language in the farm bill in case the energy bill doesn't pass.

The amendment, sponsored by Republican Sens. Pete Domenici of New Mexico and John Thune of South Dakota, would require 36 billion gallons of biofuels be blended with gasoline by 2022.