Conferees seek to hammer out compromise farm bill

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U.S. Rep. George V. Hansen, R-Idaho, senior Republican on the House Agriculture Committee, Wednesday said the two versions of the 1981 Farm Bill passed by the House and Senate has a number of key differences and may take drastic trimming to get the cost price somewhere near President Reagan's budget limits.

Hansen said the Senate bill comes closer to the Reagan guidelines but that conferees will begin meeting in earnest next week in an effort to settle the differences.

He pointed out the Senate bill's includes price support for sugar and peanuts which the House version does not.

Hansen said he will push for the sugar price support as it is an important crop in Idaho.

He alsso noted the House retained the tobacco provisions but that it does not include subsidies to growers or marketers of tobacco and was handled in such a way that there is very little governmental outlay.

"In an event," said Hansen, "we must keep near the budget guidelines recommended by President Reagan. He has stated strongly he will not stand for any amount that goes much beyond what he has recommended. If the cost is excessive, then a veto would be likely."

Hansen said he has not favored farm bills in the past because of what he considered excessive food stamp costs.

The Idaho congressman said he felt the Senate bill is closer to what Reagan wants because it was written by Republicans who are in control in the upper chamber. By contrast, the Democrats hold the House majority and are not as sensitive to Reagan's wishes.

Hansen said he also questioned what he felt are high dairy subsidies, some area of grains and food stamps, the latter which has a $45 billion price-tag.

Hansen said he will represent the House in the Senate-House conferences on those crops which are important to Idaho, such as dairy, grains, and wool.

The joint conference may begin preliminary sessions late this week but likely wont't get down to the hard decisions until next week.

The 1981 Farm Bill passed by the House includes four-year extensions of stabilization programs for grains, cotton, milk, soybeans and other major farm commodoties, Chairman Kika de la Garza, D-Texas, of the House Agriculture Committee, announced previously.

Rep. George Hansen

"The House has produced a bill which offers a compromise between what Congress would like to do to protect farmers and what we can do within budget restraints, said De la Garza. "We have kept the legislation under the budget ceiling set by Congress for fiscal 1982."

"The bill does at least generally maintain other basic safety net programs for farmers," he said.

Under the measure, price support loan and target price protection programs would be continued for the 1982 through 1985 crops of wheat, feed grains, cotton and rice.

Dairy price supports would be continued for four years, beginning Oct. 1, 1981, at levels designed to curb surpluses; and wool supports would be continued without changing the existing system. Target price levels for major crops in 1982 would include not less than $4.20 a bushel for wheat and $2.90 for corn, with rates in later years adjusted to reflect changes in farm production costs.

Other major features of current farm legislation would continue under the bill include authority for a farmer-owned grain reserve program and authority for requiring that producers who want government supports on grains, cotton and rice comply with acreage in programs during periods of surplus supply.

Also the bill provides new protection for farmers by requiring increased price support levels, under specifically defined conditions, for crops which may be subject to future export embargoes.

Another feature authorizies, but does not require, immediate financing for a revolving support credit fund to help expand overseas farm sales.

The bill bans imports of meat produces with drugs or chemicals for similar use in this country but permits the president to waive the new requirements.

Additional, the bill extends the Food Stamp Program for four years and adds new anti-fraud provisions and pending ceilings for the next rour years.

Some of the highlights of the bill affect major Idaho crops follow:

- Dairy produce, Title I—Sets price supports at not less than release of grains by producers. Price support loan rates for grain placed in reserve must be not less than 10 percent above the standard rate for any year. Another provision authorizes the secretary to reduce interest charges on price support loans when this would encourage farmers to redeem their crops rather than forfeit them into government ownership. It also provides for creating, through fiscal 1985, an export credit revolving fund to promote farm sales abroad but this financing would be subject to later appropriations.
- Food stamps,Title XIII—Extends appropriation authority for the food stamp program for four fiscal years. It sets spending caps for the program at $41.3 billion in fiscal 1982, $11.170 bill in fiscal 1983, $11.115 billion in 1984 and $11.304 nillion for 1985. Also a scheduled April 1, 1982, cost of living adjustment in food stamp allotments would be postponed to Oct.1, 1982. It gives certain law enforcement authorities a limited number of designated USDA investigators who are responsbile for investigating food stamp felony violation cases.

The bill also contains provisions for creating an eight-member board of agricutural producers to review cost of production formula; extends the Food for Peace Program and raises price support loan rates to 90 percent of parity; extends for four years agricultural research, extension and teaching; extends for a year credit for rural development family farms; sets up a special areas conservation program to target regions with special conservation problems; and bans import of meat produced with use of chemicals or drugs prohibited in this nation.

$15.10 per hundredpounds for fiscal 1982, and not less than 72.5 percent of parity for fiscal 1983. In 1984 and 1985 fiscal years, the minimum support would be 70 percent of parity unless the secretary of agriculture forecasts surplus purchases at less than 3.5 billion pounds of milk. If purchases are forecast at less than 3.5 billion pounds, the minimum support would be 75 percent of parity.

- Wool and mohair,Title II—Extends for four years the existing wool and mohair support program under which producers get federal payments if market prices fall below the "incentive" level set by law. The level at which any future payments would be triggered would remain, as established in the 1977 Farm Act, at 85 percent of the trigger level in effect prior to the 1977 law.
- Wheat title III—Sets the target price at not less than $4.20 per bushel on the 1982 crop, with annual adjustments in 1983-5 based on changes in farm costs. Use of target prices would be discretionary unless wheat carryover exceeds 1 billion bushels. Price support loan rates are not less than $3.55 per bushel for 1982 for 1982 with 1983-85 adjustments tied to any changes in those years in target prices. When carryover stocks rise to exceed 6 percent of world usage, the secretary would be required to make compliance with at least a 15 percent setaside as a conditon of eligibility for price support. If supply conditions require this, the loan rate would be raised by 5 percent and growers would be offered a second acreage reduction option of electing to make a 30 percent setaside and his individual loan rate would be raised 15 percent instead of 5 percent.
- Feed grains, Title IV—When corn and sorghum are covered by targets, the secretary has option of also covering oats and barley. Use of targets would be discretionary unless the corn carryover tops 1.3 billion bushels.
- General and miscellaneous —Extends the producer-owned grain reserve program, with provisions to give the secretary more flexibility in influencing