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Bush says farm bill would not help with rising food prices

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House and Senate negotiators late Tuesday scrambled to meet President Bush's demands on a multibillion-dollar farm bill, considering cutting subsidies for wealthy farmers.

Earlier in the day, Bush had renewed his call to reduce such subsidies, saying the "massive, bloated" bill would do little to stem rising food costs. Negotiators met with Agriculture Secretary Ed Schafer soon afterward.

That meeting was "sobering," said Sen. Kent Conrad, D-N.D. He said the Bush administration had a laundry list of demands for the legislation, which lawmakers were hurrying to finish before current farm law expires Friday. The law has been extended several times, and lawmakers have said another one-week extension may be necessary.

Emerging from several hours of meetings, Conrad and Senate Agriculture Committee Chairman Tom Harkin, D-Iowa, said negotiators would further limit subsidies and cut other spending in response to the administration's demands.

"We moved considerably," said Harkin, though he declined to share specifics and said all of the bill's negotiators had not yet agreed on the cuts.

Lawmakers reached a tentative agreement last week on how to pay for the massive bill, which would cost almost \$300 billion over the next five years, but they have not finished resolving policy issues.

One of the last sticking points is how much would be paid to farmers in a time of record crop prices.

Bush has threatened to veto the legislation and showed no signs of backing off that threat Tuesday.

"The bill Congress is now considering would fail to eliminate subsidy payments to multimillionaire farmers," Bush said. "America's farm economy is thriving. The value of farmland is skyrocketing. And this is the right time to reform our nation's farm policies by reducing unnecessary subsidies."

House Agriculture Committee Chairman Collin Peterson, D-Minn., said last week that lawmakers were considering an eventual limit on payments to high-earning "nonfarmers," people who make only a small portion of their income from farming. But that wouldn't impose any income limits on wealthy farmers, Peterson said then.

Conrad said Tuesday that the bill now would have "substantial reform" for farmers and nonfarmers.

The Bush administration has sought limits that would apply to anyone who earned more than an average of \$200,000 a year.

Bills passed by the House and Senate last year still would allow many wealthy farmers to collect payments. The Senate bill would eventually ban payments to nonfarmers whose income averages more than \$750,000 a year. The bill defines farmers as those who earn more than two-thirds of their income from agriculture. There would be no new income-based limits on what a farmer could collect, though the bill would prohibit some farmers from collecting payments for multiple farm businesses.

The House-passed bill would ban payments to all who earn an average \$1 million a year or more. It also would prohibit some farmers from collecting payments for multiple businesses.

The current cap is \$2.5 million.