



## Early Thoughts: 2016 Election Results and the Next Farm Bill

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With the long, rancorous and tumultuous 2016 campaign behind us, the farm policy world will soon turn its eyes to the next farm bill. It is difficult at this early stage to fully gauge how the election results will impact the legislation or the process. Elections always have consequences but it is difficult to discern if or how the outlook for a farm bill has been altered. The following article looks at history and current political positions to begin thinking through the impacts on farm policy; all of the necessary and customary caveats apply.

### Looking to Historical Precedents

The last time a farm bill was written by a unified Republican Federal government was 1954. Dwight D. Eisenhower had been elected president in 1952 and his immense popularity brought with it strong majorities in the House and Senate. By 1954, the Korean War had ended and the Commodity Credit Corporation was taking on massive Federal surplus of price supported commodities such as cotton and wheat. Farm commodity policy was operating under the high, fixed parity support system Congress put in place during World War II and continued in 1949. President Eisenhower and his Secretary of Agriculture, Ezra Taft Benson, fought to reform farm programs but faced resistance in Congress, especially from Southern Democrats. The President and his allies were able to win some minor reforms in the parity loan rate but it cost them politically in the mid-term elections. Republicans in Congress lost seats and their majority in the 1954 midterm elections after passing the farm bill. At the time, some credited losses in rural districts to backlash against their attempts to change farm policy. Democrats would go on to hold the House of Representatives for 40 years (1954 to 1994).

There are likely too many differences between 2016 and 1954 to make much of an effective historical comparison. It is notable, however, that the reform efforts begun by Eisenhower in 1954 were eventually embraced by much of the farm community. Furthermore, the policy and political foundation of today's farm bill is far different than those of the Fifties. One of the biggest differences involves the

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Congressional budget disciplines that were first put in place in 1974. Additionally, farm policy of the earlier era lacked the coalitions with nutrition and conservation interests that have been built over time and added critical votes for farm bills.

Similarities can be drawn to Ronald Reagan's election in 1980; President Reagan had to deal with a Democratic House of Representatives. Food stamps had been merged with farm programs in the 1973 Farm Bill and further expanded in 1977. Reagan's first efforts to make changes came right away in 1981 and involved using the budget process to cut down the size of government, Federal spending and pass tax cuts. He purposefully used the budget to try and break apart the farm bill coalition to make it easier to cut and reform all programs. Expanded production, embargoes, inflation and other economic problems had led many farmers into difficult times and bankruptcy. The unfolding farm financial crisis limited President Reagan's ability to reform farm programs. Also, Southern Democrats in Congress cut a deal with the President to back the budget and tax cuts in return for his agreement to save support programs for their crops. Congress ended up increasing target prices and farm program spending.

A third historical precedent is, of course, the 1996 Farm Bill. Republicans won a majority in Congress in 1994, including their first House majority in 40 years, but they had to contend with President Clinton. They also quickly turned to the budget process to try and bring about major changes to a wide swath of Federal policies, including food stamps and farm policy. The efforts resulted in a government shutdown and bitter partisan fights, but it also produced significant reforms of farm programs. The 1996 Farm Bill decoupled farm programs with 7-year fixed income support payments on fixed acres. It also captured baseline in the budget process and protected it from further cuts by Congress.

### **An Uncertain Political Landscape for the Next Farm Bill**

The above historical examples help shape early stage thinking about the next farm bill debate but the political landscape is more important and it is far from certain. Historically, Republican Presidents and Congresses have used the budget process to push for reforms and substantial changes in Federal policies, including farm bills. Even before the election, it was expected that the Congressional budget process and baseline would play a substantial role (see, [farmdoc daily, Nov. 3, 2016](#)). The election results would appear to reinforce the view of a primary role for the budget process.

Farm bills did not play any notable role in the presidential campaign discussions, so there is little from that process to inform the discussion. There were two indicators on farm bill matters but they directly conflict. The [Republican Party platform](#) explicitly focused on the Supplemental Nutrition Assistance Program (SNAP), stating that its policy would be to restore work requirements to the program and "to correct a mistake made when the Food Stamp program was first created in 1964, separate the administration of SNAP from the Department of Agriculture." A representative of President-elect Trump's campaign, however, indicated in a [forum](#) held by the Farm Foundation that SNAP should [remain](#) a part of the farm bill.

The position of the Republican Congress indicates stronger alignment with the Republican platform but a possible divide between the House and the Senate. For example, Speaker Paul Ryan repeatedly argued for a specific policy [agenda](#) throughout the campaign and it also emphasized work requirements for SNAP. During the previous effort, moreover, the House was the scene of a very bitter partisan debate over SNAP that resulted in the farm bill's initial defeat on the House floor. Much of that controversy involved work requirements and splitting SNAP from the rest of the bill. The House Agriculture Committee has also held numerous [hearings](#) on the "Past, Present and Future of SNAP" since the 2014 Farm Bill was signed into law.

The 2014 Farm Bill debate in the Senate did not feature a similarly disruptive fight over SNAP, but it was also controlled by Democrats at the time. Institutionally, the Senate tends to be far more consensus driven and Senators typically answer to a broader constituent base. Senior Republican Senators such as Chairman Pat Roberts and Thad Cochran have a long history with the farm program-food stamp/SNAP coalition, as well as its importance in their states and for the farm bill itself. Much of their position and influence, however, may be determined by the process for the farm bill. Specifically, whether it is considered through regular order or is included in a budget reconciliation effort.

The process question is important. If Republicans want to move fast, cut spending and revise Federal programs the budget reconciliation process provides a mechanism to do so; one that is powerful because budget reconciliation bills are protected in the Congressional process. Such an effort would focus on

reducing mandatory spending from entitlement programs. SNAP is the largest of those in the Ag Committee jurisdiction but farm programs, crop insurance and conservation programs could also be included. Efforts to cut those programs, however, could run into **difficulties** with struggling farmers.

The return of sustained low crop prices could bring pressure to increase assistance to farmers, as will the **demand** by the cotton industry to return cotton base to the farm support system. There may also be demands for expanding conservation assistance. Expanding programs and assistance to farmers would be difficult in a budget reconciliation process. It would be made more so if it were accompanied by controversial reductions to SNAP. The damage to that important coalition may be irreparable, without which farm programs, crop insurance and conservation would be vulnerable to attacks from the same **opponents**. The most straightforward path in the short term could have long-term consequences.

### **Conclusion without Clarity**

The next farm bill will undoubtedly be shaped by Tuesday's election results but exactly how is unclear. History can provide some perspective and precedent, but the current political landscape and the process will be the biggest determinants. Both tend to indicate that reforming programs and reducing Federal expenditures will remain leading drivers for the next farm bill debate. The bigger questions remain how these matters will shape programs and policies.

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