



Reflections on the U.S. 2018 Midterm Elections

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This article is composed of 4 short reflections on the 2018 U.S. midterm elections and their potential impact on U.S. farm economics and policy. Each was written independently. We often observe that outreach audiences like to develop their own synthesis of the perspectives of extension educators, especially to contemporary events. We therefore invite our readers, as fellow observers, to form their own conclusions regarding the commonalities, contrasts, and implications.

Jonathan Coppess

A bitterly divided Nation rendered a split decision in the mid-term elections, demonstrating in part the brutally-effective nature of some of the most grievous threads in our political fabric. Out of an increasingly diverse 320 million people with more than 200 million potential voters, 98.6 million Americans voted in the 435 House races. Democrats won nearly 4.2 million more votes than Republicans for a current net gain of 27 seats. By comparison, 79 million voted in 35 Senate races. Democrats won 12.4 million more votes but have thus far lost three seats (IN, MO and ND) and picked up one (NV). The districts of rural America remain a sea of Republican red; the new House Democratic majority built in the cities and suburbs.

For the farm bill stuck in conference stalemate, the results of the election offer an opportunity for cooler heads to prevail in negotiations. The cotton south fared well in 2018; a feat it is unlikely to replicate in the next Congress. The new Congressional majority, however, may not be excited about starting over on a farm bill. A lame duck session could spark compromise and completion, providing an opportunity for those who campaigned on bipartisanship to actually demonstrate it. Success likely will require House Republicans to relent on their controversial demands for SNAP, and possibly on conservation.

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A farm bill in the lame duck is relatively minor, however, because bigger matters loom. Elections can provide for peaceful transfers of power with opportunities for a self-governing society to change directions, but they do not guarantee such outcomes. Given all that has transpired in recent elections, and the current state of politics, government dysfunction is unlikely to dissipate and this should be of concern. In *The Federalist*, James Madison warned against faction as part of the “mortal diseases under which popular governments have everywhere perished” (*The Federalist Papers, No. 10*). The Nation appears perilously close to breaking apart along its fault lines. Increasing tribalism is fueling polarized partisanship and exacerbating divisions among Americans; down this path, the most disastrous of ends. Whether this election will begin a difficult trek in a better direction is among the most profound of questions.

Nick Paulson

I am far from a political analyst; rather, my views on the outcomes of the 2018 midterm election results are based largely on my observations of the policy process as an academic and the collection of political talking points I have read in the popular press in the weeks leading up to and days following the midterm elections.

While there were a few surprises in individual races, the broad outcome of the midterms – the Democrats claiming a majority in the House, and the Republicans gaining a few seats in the Senate – generally followed expectations from the majority of political polling forecasts. The loss of legislative branch seats by the party holding the executive office in midterm elections is historically very common.

The shift to a Democratic majority in the House creates a check on the Trump administration and the Republican’s legislative agenda, making it more difficult to pursue any changes to law or agreements which require Congressional approval or ratification. These include many of the major midterm campaign issues including health care, immigration, trade, and tax cuts. Retaining Republican control in the Senate provides the Trump administration with firm control of appointments requiring Senate confirmation, most notably to the judiciary.

In terms of the 2018 Farm Bill, the midterm outcomes could help to push it the finish line in some form to avoid forcing the new Congress to revisit it in 2019. This could result in some form of an extension of current law. Alternatively, the Conference Committee could now have the incentives needed to come to an agreement on the new Farm Bill during the lame duck session. This would most likely lead to the loss of many of the controversial changes to nutrition title programs, as well as the proposed modifications to conservation programs supported by House Republicans resulting in a final Farm Bill which more closely resembles the version proposed by the Senate.

Gary Schnitkey

A major political event influencing agriculture is the trade dispute between China and the U.S., and the 2018 midterm election likely will not affect China - U.S. relations. The Trump administration’s trade policies appear to be part of a broader strategic struggle with China. Regardless of an individual’s view of whether this struggle is advisable, a continuation of trade disruptions with China will have adverse financial impacts on U.S. farmers.

Democrats gaining control of the House could alter compromises necessary to pass a farm bill. The current House version of the farm bill contains work requirements to receive SNAP benefits. Democrats do not support these requirements. Democrats gaining control of House lowers the chance that work requirements remain in a final version of the farm bill. A possible compromise in a lame-duck session could be for House Republicans to give up on work requirements while maintaining other features of the current House Bill not in the Senate version: 1) the ability to update program yields in some counties in Southern and Great Plain states, 2) improvements to Price Loss Coverage (PLC) and no changes to Agricultural Risk Coverage (ARC), and 3) changes to conservation programs.

At some peril to their credibility, commentators will attempt to read a great deal into these midterm election results. It appears to me that not much has changed. The nation is evenly divided between Democrats and Republicans, with urban areas favoring Democrat policies while rural and suburban areas favor Republican policies. While House pickups are consistent with losses typical of the party in power, House pickups this midterm election also are consistent with urban areas having a more extensive

influence on House control. With each state having the same number of Senators no matter the population, Republicans have the advantage in Senate outcomes.

Carl Zulauf

A well-functioning democracy facilitates mini-revolutions via the ballot box by voters who feel overlooked or disaffected, thus minimizing the likelihood of large, pent-up revolutions. President Trump's election in 2016 was a mini-revolution by voters, mostly in rural and industrial areas, who had experienced little economic progress or felt negatively impacted by economic, particularly trade, policy.

Results of the 2018 midterm elections will unlikely reverse the 2016 mini-revolution. Democrats won control of the House of Representatives and thus can use oversight hearings and investigations to slow the mini-revolution, but Republicans increased their control of the Senate. The Senate, not the House, ratifies treaties and Presidential appointments to federal agencies and the federal judiciary. The last two institutions will oversee the most important component of President Trump's economic agenda, the rollback of federal regulations.

The upcoming lame duck Congress will likely be the opening act of the 2020 election campaign. A key decision worth monitoring closely is whether the sitting Republican Congress decides to pursue policy initiatives unlikely to pass a Democratic House, such as a second tax cut. Whether the current farm bill debate ends in a 1-year extension or what is largely a 5-year extension of current farm bill policy with some changes will be determined as part of this 2020 election calculation.

Nothing in the 2018 midterm elections appear likely to alter President Trump's use of tariffs to pursue trade policy. Impact of the tariff war on US corn and soybean exports and prices will depend critically on the 2019 crop in Argentina and Brazil. It is generally off to an excellent and early start. [The October 2018 World Agriculture Supply and Demand Estimates](#) forecast 846 and 731 million more bushels, respectively, of 2019 Argentine-Brazilian corn and soybeans over 2018. If this forecast is realized and assuming normal weather for 2019 US crops and enrollment of farms in the Price Loss Coverage program for the 2019 crop year regardless of a 1- or 5-year farm bill extension, a massive increase in commodity program spending looms if the tariff war continues to have negative market impacts. While potential commodity program payments provide considerable risk protection to farms from a continuing tariff war, a massive increase in spending combined with a \$1 trillion plus federal budget deficit implies that spending on the farm safety net could be a prominent national policy issue in coming years.

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