August 20, 2012 (/full-blog/2012/08/the-2012-drought-and-its-political.html)

Drought Impacts Passage of the Farm Bill (/full-blog/2012/08/the-2012-drought-and-its-political.html)

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The drought of 2012 is the worst that the United States has seen in decades, stretching from Ohio west to California and from Texas north to the Dakotas. Twenty percent of the nation is either in an extreme or exceptional stage of drought, according to the U.S. Drought Monitor.[1] The intensity of the drought has increased rapidly in July, with states like Illinois seeing the percentage of its land in
the worst two stages of drought increase from 8% to over 70% over the course of a week.[2] The U.S. Department of Agriculture (USDA) has now designated 1,369 counties in 31 states as natural-disaster areas, extending low-interest loans and other federal aid to help struggling communities.[3]

No sector of the economy has felt the effects of the drought more acutely than agriculture. Close to 90% of the nation’s corn and soybeans are in drought-stricken areas,[4] resulting in a nearly 3 billion bushel cut in corn production of an anticipated 14 billion bushels.[5] Corn, soybean and other commodity prices have soared as a result, and now farmers and ranchers find themselves unable to afford feed for their livestock. The drought exacerbated already declining numbers of cattle in the U.S., and now the nation’s cattle inventory is the lowest since the USDA began a July count in 1973.[6] Consumers are expected to feel the effects of the drought in the costs of dairy and meat, with beef prices expected to rise 4 to 5 percent.[7]

Farmers and ranchers are waiting anxiously for Congressional approval of the new version of the five-year farm bill, a massive piece of legislation that deals with agriculture and all other affairs under the purview of the USDA. To be sure, the Senate has approved their version of the bill[8], and the House Agriculture Committee has produced a bill for consideration notable for its $16.5 billion in food-stamp cuts[9], but Republican House leadership threaten to duck any votes on the bill until after November elections to avoid a messy and divisive floor debate between the party’s most ardent conservatives who seek further reform and cuts and representatives of drought ridden farmers.[10] This would mean allowing the current law to expire September 30, 2012, an unprecedented move that would shake an already weakened industry.[11]

One likely resolution to this standoff is a one-year extension of current farm law with cuts in conservation programs to fund drought relief for livestock producers. House leaders hope that these concessions will provide leverage to negotiate comprehensive reform for the farm bill with the Senate.[12] Agricultural groups are unappeased, insisting instead on passage of the five-year bill.[13] Bob Stallman, president of American Farmland Trust stated, “A one-year extension offers our farm and ranch families nothing in the way of long-term policy certainty…we need clear and confident signals from our lawmakers.”[14]

Ultimately, it is clear that those most concerned with this issue have no patience for political maneuvering, but for politicians up for reelection, it’s much easier to vote for disaster assistance than a new farm bill.

[2] Id.
[4] Id.
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[14] Id.

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