

Bowles-Simpson deficit reduction recommendations would cost agriculture \$3 bil. per year

By Jon H. Harsch

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Washington, Nov. 10 – A first draft of dramatic federal deficit reduction recommendations unveiled Wednesday includes “mandatory savings from farm subsidies,” as outlined in the draft report’s chart below:

Mandatory Savings

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2015	2011-2020
Chained CPI (excluding effects on Social Security and revenue)	0	-1	-1	-2	-3	-4	-6	-7	-9	-10	-7	-43
Federal Employer/Employee Pension Contributions	0	0	0	-1	-4	-6	-8	-9	-11	-13	-5	-51
Federal Civilian and Military Retirement System	0	0	-1	-1	-2	-2	-3	-4	-4	-5	-4	-22
In-School Interest Subsidies	0	-3	-5	-5	-5	-5	-5	-5	-5	-5	-18	-43
Farm Subsidies	0	-1	-1	-2	-3	-3	-3	-3	-3	-3	-7	-22
Universal Service Fund	0	-1	-1	-2	-3	-4	-5	-5	-5	-5	-7	-29
Program Integrity	0	-1	-1	-2	-3	-4	-4	-5	-5	-5	-8	-30
Other Changes	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-8
Total Deficit Reduction	0	-6	-11	-16	-23	-29	-34	-38	-42	-47	-57	-248

President Obama's bipartisan deficit commission co-chaired by former Clinton White House Chief of Staff Erskine Bowles and former Republican Senator Alan K. Simpson proposes \$4 trillion in savings over the next decade by capping domestic and military spending, rewriting tax laws, and reining in Social Security benefits.

Without going into great detail, the report's sweeping recommendations include these points related to agriculture: “Achieve mandatory savings from farm subsidies . . . Reduce farm subsidies by \$3 billion per year by reducing direct payments and other subsidies, Conservation Security Program funding, and funding for the Market Access Program.”

After the co-chairs presented their draft in a closed Capitol Hill meeting Wednesday of the 18-member commission, lawmakers emerged emphasizing that the draft is simply a first attempt which will be subject to extensive rethinking. Senate Budget Committee Chair Kent Conrad (D-ND) called the draft a good beginning but said the next step is for commission members to “offer alternatives.”

White House Deputy Press Secretary Bill Burton reacted to the draft by explaining that “The President will wait until the bipartisan fiscal commission finishes its work before commenting. He respects the challenging task that the Co-Chairs and the Commissioners are undertaking and wants to give them space to work on it. These ideas, however, are only a step in the process towards coming up with a set of recommendations and the President looks forward to reviewing their final product early next month.”

The following chart from the report clearly illustrates the magnitude of the Bowles-Simpson recommendations.

