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Profiles in negotiation: The 2014 farm and food stamp deal

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Jill Lawrence is a national columnist for Creators Syndicate, a contributing editor at U.S. News & World Report, and a contributor to the 2015 book The Surge: 2014's Big GOP Win and What It Means for the Next Presidential Race. Farmers usually don't see their policy fights make national headlines. But that was before the Tea Party came to town.

B Effective Public Management

These upstart conservatives, carried to victory in the Republican midterm rout of 2010, had a distinctive profile. They wanted a much smaller government and much less spending. And they had a decidedly populist bent that announced they were not your father's business-oriented, country-club Republicans. They crusaded to cut what they viewed as corporate welfare payouts as well as programs for poor and low-income Americans.

Some of the pressure yielded fruit in the form of bipartisan changes to farm subsidy programs that many in both parties understood had evolved in ways that were very difficult to justify. And some of the pressure yielded the opposite—a pitched battle over food stamps that thrust the farm bill into the thick of the red-blue culture wars and a charged 2012 campaign-trail debate over government dependency.

Over years of talks that began in 2011, as a recession and demands for tax-and-spending cuts shrank the size of the federal pie, battles over the agriculture budget were a constant. Team Corn-and-Beans (the Midwest) was slugging it out with Team Cotton-Rice-and-Peanuts (the South) in a competition for federal payments. And, in customary farm-bill tradition, conflicts within the dairy industry were among the last to be resolved.

But it was the Supplemental Nutrition Assistance Program (better known as food stamps or SNAP), the largest single item in the federal agriculture budget, that became a lightning rod for attention, amendments and ideological point-making. Drug-testing, work requirements and huge benefit cuts were all in the mix. And it was an explosive

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mix indeed. Lawmakers finally managed to defuse it in February 2014, ending a 16-month cycle of expirations and extensions of a 2008 farm law.

The final product was a departure in a number of ways. It made unusually substantial cuts in payments to farmers. In addition, geography—the traditional dividing line among farm-bill factions—was overtaken by ideology. "The partisanship around food stamps added a massive twist to the normal farm bill process," said one Democrat involved in the negotiations.

The 2014 farm bill was also a relative rarity for its time because of the route it took to enactment. It was not an agreement reached in private by a handful of people that was then presented as a done deal to the rank and file. In contrast to that mode of doing business, so prevalent in an era of gridlock, it was close to a textbook example of "how a bill becomes a law."

It went through the agriculture committees in the Republican House and the Democratic Senate, then it went to the House and Senate floors. People had a chance to vote on amendments. Then the differing bills went to The 2014 farm bill was also a relative rarity for its time because of the route it took to enactment. It was not an agreement reached in private by a handful of people that was then presented as a done deal to the rank and file. In contrast to that mode of doing business, so prevalent in an era of gridlock, it was close to a textbook example of "how a bill becomes a law."

a House-Senate conference committee. The conferees and their staffs negotiated their way to a compromise, which then passed both chambers and went to President Obama's desk.

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A CYCLE OF CRISES

"It's a good sign that Democrats and Republicans in Congress were able to come through with this bill, break the cycle of short-sighted, crisis-driven partisan decisionmaking, and actually get this stuff done," Obama said as he signed the bill into law at Michigan State University in East Lansing. "And that's the way you should expect Washington to work."

It was indeed a good sign, but it came only after years of stressful detours and dead ends. "I have been here for seven of these five-year farm bills, and I have never seen such a roller coaster in my life," Vermont Sen. Patrick Leahy said at a press conference a few days before the signing.

There were many factors working against a farm-bill compromise. On the politics front alone, there were the demands of Tea Party rebels, many of them impatient political novices, and the inability of Republican leaders to corral their votes or rhetoric. Additional complications included heavy press coverage of parts of the process, and heavy involvement by some top congressional leaders. There was also major pressure from agriculture sectors that saw cuts in their future, and in the 2013-14 act of the saga, there was a Senate personnel change that brought new demands from Southern farmers.

All of those conditions are inhospitable to negotiations, according to <u>research</u> conducted by the American Political Science Association. But at the same time, there were reasons to believe those at the table would succeed. While food stamps made headlines, some of the heaviest lifting on esoteric but equally controversial matters was done in private. Most of the aides working on nuts and bolts were familiar with each other. That was true of some of their bosses, as well. And those principals—Reps. Frank Lucas of Oklahoma and Collin Peterson of Minnesota and Sens. Debbie Stabenow of Michigan, Pat Roberts of Kansas and Thad Cochran of Mississippi—agreed on at least a few things.

There was, for instance, widespread acknowledgment—if reluctant in some quarters—of the need to trim spending on both food stamps and commodity support programs. There was also a shared persistence on display as farm-bill talks launched and relaunched in 2011, 2012, and 2013, and a large body of work from earlier rounds that gave negotiators a substantial head start as they repeatedly geared up.

Then there was what farm groups view as their failsafe: An underlying 1949 farm bill that had never been repealed. That's what takes effect unless a new farm bill is passed or extended every five years. The consequences of reverting to a 65-year-old law would be dire, topped by a plunge off the "<u>dairy cliff</u>"— shorthand for 1940s policies that would drive up milk prices to \$7 per gallon.

A DIVERSE CAST

The new lead player in the long-running farm-bill drama was Stabenow, a veteran member of the Senate Agriculture Committee, who in 2011 became the first woman to chair it. A low-key Michigan Democrat with underestimated political skills, she won her first election at age 24. According to the Almanac of American Politics, she defeated a county commissioner who called her "that young broad." Her home state is known for its auto industry, but agriculture is one of its top three industries and accounts for more than 20 percent of Michigan jobs. The state's diverse crops range from corn and soybeans to fruits and vegetables. It's also the nation's third largest producer of Christmas trees.

The GOP House sweep of 2010 propelled Lucas to the agriculture chairmanship in 2011. An understated farmer and rancher with a pragmatic mindset on farm issues, he faced challenges posed by new members who were dead set on spending cuts, disinterested in bipartisanship and unfamiliar with the rural-urban coalition that often helped farm bills succeed. They were, he would say, young pups who had to be educated, and that education took a while.

Lucas himself represents the most Republican district in Oklahoma, as measured by the Cook Partisan Voting Index. But he had a close working relationship with Peterson, a former committee chairman who was its senior Democrat during the 2011-2014 farm-bill process. The veteran Minnesota Democrat, an expert on dairy issues, was the one of the rare conservatives in his party who kept his seat throughout the Obama administration. He played guitar with other lawmakers in the Second Amendments rock band and was an accountant by trade—a skill he used to keep tabs on pain and gain during farm bill talks.

The two other main players were Roberts in 2011-12 and Cochran in 2013-14. The two veteran Senate Republicans were both old hands at writing farm bills—Cochran had chaired the committee in 2003-2005—but this was the first time they were legislating with the Tea Party looking over their shoulders. With the advent of the new GOP majority in 2011, "the entire emphasis of so many members was 100 percent deficit reduction come hell or high water," one Republican recalled. "There were no real substantive conversations about anything but cut, cut, cut, cut, cut."

THE SUPER COMMITTEE-2011

Stabenow had been in charge of the Senate agriculture committee for just a few months when Congress and the White House struck a deal to head off a debt-ceiling disaster: A "super committee" of 12 senators and representatives, officially named the Joint Committee on Deficit Reduction, had to come up with \$1.2 trillion in budget cuts over 10 years or else an across-the-board cut, or sequester, would take effect at year-end. All House and Senate committees were asked to recommend cuts that would avert the dreaded sequester.

Many farmers and their allies liked the 2008 farm bill and would have been happy to simply extend it. But Stabenow went in with guns blazing, as one negotiator put it. She saw the super committee request as an opening to propose big changes. Her chief negotiating partners were Lucas and Peterson and there was "at least some buy-in" Many farmers and their allies liked the 2008 farm bill and would have been happy to simply extend it. But Stabenow went in with guns blazing, as one negotiator put it. She saw the super committee request as an opening to propose big changes. from all three on major issues, one aide said. Roberts, however, was "an outlier" at times. "What really pushed him to the sidelines a little bit was where we ended up landing on the commodity programs. He was not a big fan," the aide said.

The first challenge for the negotiators was to figure out the size of a credible overall cut and how much would come from each main section of the farm bill: commodities, conservation and nutrition. They settled on a topline reduction of \$23 billion over 10 years, including \$7 billion from food stamps; \$4 billion from conservation programs, and \$12 billion from commodity supports.

The easiest decision was to streamline the conservation programs that helped farmers protect drinking water, reduce soil erosion, preserve forests, wetlands and wildlife habitat, and repair damage from natural disasters. The negotiators achieved savings by consolidating 23 programs into 13—a plan that survived in its basic form right up through the 2014 compromise that was signed into law.

Food stamps were not subject to the sequester, and the super committee wasn't considering cuts to them. The overriding Democratic goal was to protect the program—and yet the farm-committee Democrats decided to propose a cut. "We had to do something or we were never going to get these guys to do anything" on commodities, one negotiator said. "The vast majority (of savings) came from direct payments. We had to do something reciprocal on our priorities, which was SNAP."

The cut was achieved largely by limiting the ability of states to link <u>SNAP benefits with the Low</u>. <u>Income Home Energy Assistance Program (LIHEAP)</u>—another idea that made it into law three years later. Some states were giving people small amounts of heating aid, sometimes as tiny as 10 cents or \$1 a year, which allowed them to receive increased food benefits even if they hadn't actually paid high utility costs. Congress had established this linkage in federal law as a way to reduce paperwork and improve efficiency. But Republicans and Democrats agreed that in practice, some states were flouting congressional intent and undermining the program.

From the Democratic perspective, it was the least bad way to wring savings from SNAP. Fewer people would qualify for higher benefits, but nobody would lose what they were already getting. "We felt that was a little bit of a budget gimmick. It didn't affect people's monthly allowance. "None of the policy had to do with new standards" for eligibility, one negotiator said.

Stabenow had said from the outset that it was time to end the system of direct payments to commodity farmers and landowners, which was costing some \$5 billion a year. Lucas and Peterson, under intense pressure from Tea Party conservatives pushing for cuts and attacking corporate welfare, joined her in creating a new, two-pronged safety net. Farmers could sign up for payments triggered by either a drop in the price of a crop, or a drop in revenue for any reason. They would kick in when there were losses as determined by a pre-set formula. The bill also tightened the definition of "active farmer," the term used to determine who was eligible for subsidies.

Roberts had written the direct payment system in 1996 and was not happy about the changes, but most in Congress saw little alternative from a political standpoint. Not only was there pressure to cut spending, the farm economy was booming. "We're going to record farm incomes and these payments are still going out. There's no trigger on them. You don't have to have a loss. You don't have to have low prices. It was going to be very difficult if not impossible to sustain politically," said one GOP aide involved the negotiations. Another added: "Those payments went out no matter what. High prices, low prices. Good crops, bad crops. It had become indefensible."

Stabenow likes to boast that the House and Senate agriculture committees produced the only bipartisan, bicameral recommendation to the super committee. But it never went anywhere—in fact it was never even released to the public—because the super committee collapsed in November 2011. Roberts issued a statement saying Stabenow and Lucas had drafted the bill behind closed doors, "largely without my input." He said he was concerned about the commodity changes and how the spending reductions had been allocated, and looked forward to a normal, more open farm-bill process.

A SENATE TRIUMPH–JUNE 2012

The 2011 proposal nevertheless proved to be a solid foundation on which to build. "It set the framework of negotiations for the next three years," said a Democrat involved in the talks. The hard work of determining the size of an overall cut had been done, and the structural reforms to conservation and commodities provided a surprisingly durable framework. Nutrition, namely food stamps, was where things kept going off the rails.

The Senate process was relatively smooth. Stabenow and Roberts wrote the bill together, preserving the \$23 billion in savings, the conservation consolidation and the new commodity-payment structure from 2011. In addition, they strengthened a crop insurance program that Roberts said was the top priority for virtually every producer who testified before the committee (insurance programs require premium payments, and benefits are not automatic but rather triggered by losses). They also cracked down on fraud and abuse in the food-stamp program for a savings of \$4 billion. That included limits on the LIHEAP-SNAP link modeled on those in the 2011 super committee proposal.

The bill came out of committee on a bipartisan 16-5 vote, then passed the Senate on a <u>bipartisan</u> <u>vote of 64-35</u> after a two-day marathon of votes on 73 floor amendments. Stabenow called it "the greatest reform in agriculture in decades." Farmers, she said, would no longer be paid for crops they don't grow, or acres they don't plant, or when they are doing well. Actual price or yield drops would trigger a safety net, she said, and broader crop insurance would protect farmers against weather disasters.

Roberts, the outlier on commodities in 2011, had come around. He noted on the floor that he understood the elimination of direct payments was "a big deal" to Kansas wheat-growers and other



commodity producers. But he said the committee was not picking winners and losers or undermining the farm safety net. "Money is shifting among commodities because farmers are farming differently," he said. He also noted that "the taxpayers have been clear in this budget climate" that Congress should not "continue and defend" the program.

Senate Majority Leader Harry Reid credited Stabenow and Roberts with the win. He said he and minority leader Mitch McConnell had been "bystanders to much of what's gone on. It's been the work of these two fine senators and the cooperation of every member." After the vote, one GOP aide recalled, members from both parties—even some who voted against the final bill—rushed up to thank Stabenow and Roberts for the chance to vote on amendments.

Stabenow and Roberts were driven in part by the fear that if they didn't produce a bill, agriculture would become part of a massive year-end deal to avoid a series of fiscal nightmares known as the fiscal cliff. They wanted a bipartisan bill, not one that was molded by hard-core conservatives or people less familiar with farm programs, one Republican said. Their view was that "if we can't do this on our own, they're going to do it to us, so let's do it when we have the control."

FOOD STAMP DRAMA-LATE 2012

Food stamps were not born to this kind of political controversy. They had long been a weapon against hunger, deployed on and off in pilot programs from the Great Depression until 1964, when President Lyndon Johnson established a national food stamp program as part of his War on Poverty. The House Agriculture Committee also produced a bipartisan farm bill, approved 35-11 in July 2012. But things quickly disintegrated. Every member of the House was up for re-election, and Republicans were under pressure to be as conservative as possible. Food stamps, meanwhile, were an incendiary and continuing theme in the GOP presidential primary campaign. Former House Speaker Newt Gingrich often called Obama "the food stamp president" and made the claim, incorrect <u>at the</u> time as well as in July 2015, that the nation's first black president had put more people on food stamps than any president in U.S. history. He also said on the campaign trail that "the African-American community should demand paychecks and not be satisfied with food stamps."

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Johnson established a national food stamp program as part of his War on Poverty. And they had always been linked to farm programs, because they began with the government buying <u>surplus</u>

<u>commodities</u> and food to feed the poor in cities, suburbs and rural America.

The modern program dates from a 1977 reform act pushed by two farm-state senators who had spent a decade investigating hunger in America. "We worked hand in glove. We didn't play any partisanship with this issue," George McGovern, the late South Dakota Democrat, says of himself and Republican Bob Dole of Kansas in a <u>2011 video</u> released by the Dole Institute of Politics at the University of Kansas. The main reform of the 1977 act was to eliminate a requirement that Americans pay for a portion of their food stamps. "If you didn't have that money to put up, then you weren't eligible for the program. It didn't make any sense to me," Dole said in the video.

The program, now known as SNAP, was a boon to children, the elderly, the disabled, and workers with low-wage jobs. It also became a boon for the farm bill by creating a well of support among urban lawmakers who As New Year's Eve 2012 became New Year's Day 2013, Congress approved a fiscal cliff deal that extended the 2008 farm law until Sept. 30, 2013. It was, aides reflected later, probably unrealistic to think they could pass something as big as a farm bill during a presidential election year.

wouldn't necessarily be fans of federal aid to agriculture. That was not a dynamic familiar to some Tea Party newcomers who were chomping at the bit to slash SNAP. "They had not been around and didn't understand how you built broader support than just rural ag-state members," one Republican aide said.

What they did understand was that during the Great Recession, the SNAP program had <u>grown</u> <u>massively</u>—from 28.2 million people and \$37.6 billion in 2008, the first full year of recession, to 47.6 million people and nearly \$80 billion in 2013, a period of declining wages and a lethargic recovery. Part of the added cost came from easing sign-up procedures for states. Part came from Obama's 2009 stimulus package, which temporarily increased monthly benefits by between \$2 and \$24 per person for several years.

"To put it in context, the program doubled in cost over the span of eight years," a GOP negotiator said. "Absolutely some of it was because of the recession. But it still far exceeded what levels you could point to as being recession related."

Not surprisingly, House conservatives demanded major cuts and restructuring. Some were enamored of a 2012 <u>Heritage Foundation paper</u> that called food stamps "an expensive, old-style entitlement program that discourages work, rewards idleness, and promotes long-term dependence." The authors said SNAP should be turned into "a work activation program"—that is, able-bodied SNAP recipients should have to work, prepare for work or at least look for work as a condition of

receiving aid. They also proposed a spending cap that would save \$150 billion over 10 years and end SNAP's status as an entitlement program serving all who qualified.

Heritage further called for mandatory drug testing of food stamp beneficiaries. People getting help from taxpayers "should engage in responsible and constructive behavior as a condition of receiving aid," the group said. Stabenow's view of drug testing was simple. She said she'd consider it as soon as tests were required for farmers who received federal help.

House Republican leaders did not have the votes to pass a bill, so they never brought one to the floor. The Senate bill died, and on Oct. 1, 2012, the 2008 law expired. "The excitement that is the farm bill process," Dale Moore, executive director for public policy at the American Farm Bureau, said dryly.

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STARTING ALL OVER AGAIN-2013

"There was a huge learning curve for those types who just read Heritage blogs and listened to talk radio," one Republican aide said. "Even though they lived in rural areas, they hated the farm programs." The 2012 elections did not transform the political landscape of divided government. When Congress returned in 2013, Democrats still controlled the White House and the Senate, and Republicans still controlled the House. By then, there had been so much House turnover that more than half the members had never before dealt with a farm bill.

There had been one major shift in Senate personnel: Cochran exercised his seniority over Roberts to replace him as the senior Republican on the agriculture committee. He had "timed out" as the senior Republican on the appropriations committee and decided Southern agriculture needed a stronger voice on the farm panel.

That led to more than two months of negotiations to raise

subsidy payments and strengthen insurance for Southern crops, resulting in a bill with strong support from the region. Overall the Senate's 2013 farm bill saved \$24 billion over 10 years. The savings followed similar patterns as in 2012, including \$4.1 billion from the SNAP program, and the new bill passed by a similarly strong, bipartisan 66-27 vote.

Over in the House, the Tea Party contingent had grown. There were fewer Democrats from rural districts and some of the Republicans who replaced them were in the classic Tea Party mold. "There was a huge learning curve for those types who just read Heritage blogs and listened to talk radio," one Republican aide said. "Even though they lived in rural areas, they hated the farm programs."

Given the antipathy of Tea Party conservatives to SNAP, it was no surprise that the 2013 House agriculture committee bill achieved half its \$40 billion in cuts from food stamps. That was nearly five times the savings proposed by the Senate. Democrats were split on the bill; the committee approved it in May on a <u>bipartisan vote of 36 to 10</u>.

On the House floor the next month, there ensued what Moore—the farm bureau official—called a "chutes and ladders game." Lawmakers considered some 100 amendments—highly atypical for the House—and then, to the shock of many, the bill went down to defeat, 234-195. Lucas and Peterson thought they had more than enough support to prevail. But they lost 62 Republicans and every Democrat.

Some Democrats were furious about what one Republican negotiator called "bumper-sticker" SNAP amendments that had been adopted as a group in the middle of the night. Examples included requiring drug testing as part of the SNAP application process, and banning convicted murderers, pedophiles and rapists from the program ("not their children, not their spouses, but they themselves," Lucas emphasized later). The crowning outrage for Democrats was a work requirement that originated with then Majority Leader Eric Cantor and became known as the Southerland amendment, after Rep. Steve Southerland of Florida.

It allowed states to require most adults, including parents of children as young as a year old, to work or participate in a work or training program for at least 20 hours a week or lose their SNAP benefits. "It would also allow states to keep half of the federal savings from cutting people off, which state politicians would be allowed to use for any purpose, including tax cuts and special-interest subsidies," analysts at the liberal Center for Budget and Policy Priorities wrote—italics theirs.

Cantor made a rare speech praising the amendment and, though it passed on a voice vote, Southerland insisted on a recorded vote—ensuring that voters would know exactly who had been for and against the work requirement. "Democrats thought he spiked the football a little bit," a Republican negotiator said of Cantor. It was the last straw for them. Peterson said he had warned Cantor beforehand that "<u>the timing was terrible</u>" and he was worried about losing Democratic votes. "If you overreach, you get nothing," he said when they in fact deserted and the bill died.

After the vote, House minority whip Steny Hoyer called the Cantor-Southerland amendment "a draconian amendment that would have hurt the poorest citizens in our country very badly. So we turned a bipartisan bill into a partisan bill." Cantor responded that SNAP was "in dire need of

improvement" due to waste and error rates. "In addition to that," he said, "it reflects our strong belief that able-bodied people should have the opportunity and should go in and be a productive citizen."

THE TWO-STEP HOUSE SOLUTION—SUMMER 2013

Lucas, looking at an August recess followed by a Sept. 30 expiration of the 2008 farm bill amid yet another federal budget crisis, solved his problem by splitting the bill in two. In July, he brought to the floor a farm bill that established a 10-year, \$195 billion safety net for farmers and agribusiness and said not a word about food stamps. It passed on a party-line vote of 216 to 208, leaving anger and confusion in its wake. The bill, though it ended automatic direct payments to farmers, did not cut other subsidies enough to satisfy some conservatives. And liberals were furious about the missing food programs.

The House did come back in September and pass a nutrition bill—and it cut \$40 billion from food stamps alone. That was double the cut in the defeated House farm bill and 10 times more than the SNAP savings in the Senate bill. The Congressional Budget Office estimated the new larger cuts would cause 3.8 million people to lose benefits in 2014.

Nearly \$19 billion of the House's \$40 billion in food-stamp savings came from limiting <u>benefits for jobless adults</u> without children to three months out of every three years, even if they couldn't find work. That was a change from the existing system, under which states could seek temporary waivers of the work requirement for adults in high-unemployment areas. Many governors in both parties had requested the waivers during the recession.

The nutrition-only bill was a depressing turn for Peterson, who had been working on a new farm bill for nearly four years. He said it was even worse than the defeated, comprehensive committee bill that had been "hijacked with partisan amendments" because it included all of those and went even further by cutting off the state waiver option. "There is a lot of hypocrisy coming from the other side of the aisle here," Peterson said.

Conservatives viewed Democrats as sticking their heads in the sand when it came to abuses in the food stamp program. One Republican negotiator said the conflict stemmed not just from GOP insistence on massive cuts but also from "the Democrats' inability to even contemplate Conservatives viewed Democrats as sticking their heads in the sand when it came to abuses in the food stamp program. One Republican negotiator said the conflict stemmed not just from GOP insistence on massive cuts but also from "the Democrats" inability to even contemplate some of the incredibly egregious things states are doing inside the SNAP program." some of the incredibly egregious things states are doing inside the SNAP program. Beyond LIHEAP, both sides just dug in."

When Lucas finally spoke, he said he had been proud of the bipartisan bills his committee produced in 2012 and 2013. He pleaded with the House to pass the nutrition-only bill so that its reform ideas could be discussed in conference committee and perhaps included in a final compromise. "It should not be this hard to pass a bill to make sure that the consumers in this country and around the world have enough to eat," Lucas concluded. "It shouldn't be this hard, but everything seems to be hard these days. So let's do the hard things. Let's get our work done."

The \$40 billion in SNAP cuts passed <u>217 to 210</u>. Fifteen Republicans bucked their party and voted no. Not a single Democrat voted yes.

BRIDGING THE DIVIDE–LATE 2013

There was broad bipartisan agreement on trying to clean up fraud, abuse and inefficiency in SNAP. The conference agreement included many such provisions from both chambers, including making sure lotto winners, affluent college students and liquor stores couldn't participate in SNAP, and cracking down on benefit trafficking by retailers The farm-bill conference started in August with staff meetings and went right through January. The Democrats started from the position that House negotiators weren't going to get a dollar more on SNAP cuts than the \$4.1 billion in the Senate bill, and that there would be no "extracurricular issues" (such as controversial House policy riders on food stamps).

When it came to the math of the SNAP cuts, the two sides were not as far apart as they seemed. Senate Democrats, despite their opening bluster, agreed to double the cuts in their bill by further tightening the LIHEAP loophole. And House Republican negotiators understood that the \$40 billion figure "was never real. It was an exercise we had to go through to get to conference. There was never a real conversation about it in conference," one Republican said. A Senate negotiator said there were hints from the start that the House "could pull off a farm bill with SNAP cuts more in our direction."

One bottom line was that Cochran, the senior Senate Republican, was never on board with \$40 billion or anywhere close. His state of Mississippi had high poverty levels and high SNAP usage. He understood that "people

aren't excited to be on the SNAP program but it is a viable way for them and their children to get the



nutrition they need," a Republican negotiator said. Another negotiator recalled that Cochran "would come in and say the things he had to say, that we need to cut some fat out of the program to make it work better for those in need. But he never, ever, ever pushed us for the extreme cuts the House was pushing or even some of his own Senate colleagues were pushing. He just turned a quiet blind eye to a lot of it."

There was broad bipartisan agreement on trying to clean up fraud, abuse and inefficiency in SNAP. The conference agreement included many such provisions from both chambers, including making sure lotto winners, affluent college students and liquor stores couldn't participate in SNAP, and cracking down on benefit trafficking by retailers and recipients. The final compromise did not sever the link some states had established between LIHEAP and SNAP, as Republicans would have liked. But it did raise the minimum for eligibility so that \$1 heating checks could no longer trigger increased SNAP benefits.

The hot-button amendments, viewed by Democrats as "demeaning and offensive," in Vermont Sen. Pat Leahy's words, posed another set of challenges. Many of them were omitted or watered down. The conferees rejected the House drug testing requirement and softened a provision that would have slapped a lifetime SNAP ban on people convicted of a violent crime, even if they had paid their debt to society and become law-abiding citizens. On the big-ticket House eligibility provisions, negotiators rejected a change that would have cut off more than 2 million people with disposable family income below the poverty line. They also kept the state option to waive work requirements in areas with few jobs. And the Southerland-Cantor work amendment was changed into a pilot program affecting far fewer people.

"There was a group within the Republican conference that was pushing for a different agenda, a different number—one that was not going to pass the Senate let alone be signed by the president," said Moore, from the farm bureau. He said the tea leaves could be read from the start when Cochran made clear that "his number was somewhere in the \$8 billion range." That is where the conferees ended up. It was also close to where Stabenow and Lucas had started in their super committee blueprint of 2011.

By January 2014, negotiators were down to a few final issues. One was to nail down the definition of an "actively engaged" farmer, the standard used to determine who was eligible for federal payments. "The system gets gamed," one negotiator said. "Your brothers and sisters can become partners and get subsidies, even if they're teachers and accountants." Some people helped manage more than one farming operation and claimed to be "actively engaged" in all of them. The negotiators agreed on some limits and the agriculture secretary was authorized to work out the language.

THE FINAL FRONTIER–JANUARY 2014

The very last argument was over dairy policy, which is almost always the very last argument in a farm-bill negotiation. It was not particularly relevant to some people—as one aide noted, "You could fit all the dairy cows in Frank Lucas's district in the hearing room at the agriculture committee"—but to others it was critical. Two in the latter category were Peterson and House Speaker John Boehner, who jumped into the thick of negotiations.

Under the existing system, the federal government bought milk, cheese, and butter if prices fell below certain levels. Peterson wanted to offer farmers a government insurance plan to guarantee a certain margin between feed costs and milk prices, and a "market stabilization" program of government incentives to reduce production when prices drop.

Boehner had long fought what he called "Soviet-style" dairy supports and dismissed the stabilization plan as more centralized government control. "I've fought off the supply and management ideas for 23 years that I have been in Congress, and my position hasn't changed," he said at a press conference. The dispute pitted Boehner and his allies, large food processors such as Kraft and Nestle, against dairy farmers, Senate negotiators who had adopted the Peterson plan, and Peterson himself—a farm-bill veteran described by one staff negotiator as "a prairie populist first and foremost."

The National Milk Producers Federation blamed Boehner for threats that killed Peterson's "stablization" incentives. But it wasn't a total loss since a version of Peterson's margin insurance plan did make it into law. "The milk glass is more than half-full," group president Jim Mulhern said.

Leahy, who was deeply involved in the negotiations, described the level of intensity after the fact. "Sen. Stabenow and I were on the phone or emailing about every hour of the day, night, and weekends from Michigan, Vermont, overseas, and from the Senate, but it worked," he said on the floor. "Everybody had a chance, Republicans and Democrats alike, to express their views."

And so in the end, for all the food-stamp headlines and angst, it was a dairy dispute that held up the farm bill. The conference report finally passed the House 251-166 on Jan. 29, 2014, and the Senate 68-32 less than week later. "Aside from the food-stamp mess," one aide said, "it was tinkering with the template from 2011."

HOW THEY DID IT

The farm bill of 2014 was the product of a rare bipartisan collaboration that once was the norm on Capitol Hill. Against the backdrop of the highly polarized and ideological congresses of the past few years, the odds of that looked dim, but there were some classic conditions that suggested a compromise might emerge.



Calendar pressure was the most obvious. For three years farm negotiators were faced with a rolling series of deadlines, crises and expirations—from the 2011 super committee process and impending sequestration, to the expiration of the 2008 farm bill on Sept. 30, 2012 and the fiscal cliff at year's end, to a farm-bill extension that expired on Sept. 30, 2013 for most crops and ended for the rest on Dec. 31. For reformers, whether they wanted changes in food stamps, commodity subsidies, conservation programs, dairy supports or any combination, there was never a good time to let up. The pressures and opportunities peaked as 2014 began with no modern farm law on the books.

It helped as the farm-bill saga dragged on that some divides were regional rather than partisan, and that some coalitions cut across party lines—such as the aversion to "corporate welfare" (farm subsidies) shared by Tea Party conservatives, urban Democrats, and the Heritage Foundation. One thing the two sides shared was pressure. "There were multiple occasions of administration people—USDA people or lobbyists or other people—coming to us and saying 'You guys have done such a great job, you just need to close it out," one Democrat said. "It was their way of saying, 'just cave.'"

Some of the lawmakers and staff doing the negotiating knew each other well, but some did not. Some were involved in every round of negotiation from 2011 to 2014. Cochran's ascent to ranking member created a new dynamic with Stabenow. The pair's aides huddled in August 2013 to get to know each other, lay out their bosses' interests, and identify the poison pills that would kill any chance at cooperation.

Stabenow's personality was an important factor throughout the years of negotiations. "She was just an energizer bunny. She would call anybody. She wore people down," one Republican aide said. Another Republican called her "a very hands-on negotiator" and added, with a laugh, "Whenever I saw her, she had plenty of things to convey. There's nothing wrong with that."

Cochran put a priority on getting to know Stabenow and he wanted his staff to get to know her staff. One aide said Cochran had an "old-school" approach: "You get to know people and you get to trust them and then you can negotiate and do it in a positive way on solid ground."

To that end, Cochran invited Stabenow to appear him in Cleveland, Miss. at the annual meeting of the Delta Council in May 2013. It was an education in Southern agriculture for a Midwestern senator, and a revelation for her audience. Tommy Horton, editor of a publication called Cotton Farming, called Stabenow's speech "<u>nothing short of remarkable</u>" and praised her and Cochran for improving the treatment of Southern commodities in their farm bill that year.

Both sides in the years of negotiations said there were combative moments. One negotiator said that "the key people were cordial and professional," but added that "we didn't make a lot of friends in this process. There was not a lot of staff sitting around having beers together." Nor did ideology remain outside the room. "We felt pretty strongly that our side was more righteous and they felt the same," one Democrat said.

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On the GOP side, negotiators were dealing with Cantor's deep involvement in SNAP work requirements and Boehner's strong feelings on dairy programs. "I don't even remember what the dairy compromise was and how this dairy program actually works," a Republican aide said later. "It was higher profile than it needed to be because of the speaker's involvement."

Unlike some negotiations that can be handled mostly by staff, farm issues required heavy participation by the four top members of the two agriculture committees. One GOP aide described the process this way: "The staff gets in a room, pounds the table, yells at each other, and calls each other names. They come to an agreement on some things and agree to work on other things. Then they get to a third bucket of things and it's 'This is going to have to be a member decision, we're never going to get there.'"

"He knew the right flank was never going to be happy and never going to pass a bill for him," one Democrat said of Lucas. That analysis was borne out in the final tally when 63 House Republicans, many of them identified with the Tea Party voted no "I couldn't tell you how many principal meetings of the Big Four, but there were a lot. That is when the big sticking points would be litigated" on food stamps, dairy supports, commodity trigger points, and who counts as an "actively engaged" farmer.

The negotiators encountered considerable skepticism, especially in the final round after Republicans had passed a SNAP bill that Democrats and even some Republicans viewed as punitive. Democrats were well aware that Lucas, in his first big leadership position, wanted to show he could get a farm bill across the finish line. But he was in a tough spot on food stamps, caught between the Heritage wing of his party on one side and Obama and Senate Democrats on the other.

Conservative demands on food stamps ultimately gave way to forging a bill capable of passing the Senate and



winning Obama's signature. "He knew the right flank was never going to be happy and never going to pass a bill for him," one Democrat said of Lucas. That analysis was borne out in the final tally when 63 House Republicans, many of them identified with the Tea Party, voted no. They considered its SNAP reforms far too modest.

SNAP in fact began to shrink soon after passage of the farm law, but that was primarily due to the nation's continued recovery from recession. "Changes in the economy are having much more impact than changes in policy," said Moore, the farm bureau official. *"I have the signed bill on my wall at my office," one aide said. "It's surprising that it went the way it should have gone. A lot of committees don't have that ability anymore."*

The people who worked on the law concede that the

food-stamp debate "certainly went to a new level of animosity" as one longtime GOP aide put it, from 2011 to 2013. But they and their bosses remain proud of what they ultimately accomplished both in substance (badly needed reforms and savings) and process (a traditional journey through committees and amendments).

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Author's note: This paper was based on research, reporting and interviews with people involved in the negotiations that produced the Agricultural Act of 2014.

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