

Fears that the price of milk and other commodities will skyrocket if a new farm bill or an extension of the current bill is not enacted by the end of the year are likely overstated, state Agriculture Secretary Jim Reese and 3rd District Congressman Frank Lucas said Thursday. "I don't expect it to be an apocalypse," said Reese. "The debt limit and the fiscal cliff will have more of an effect than not having a farm bill." Under the arcane rules of federal lawmaking, the failure to produce a new farm bill or extend the existing one will cause the Department of Agriculture to revert to a 1949 "permanent law" on price supports, or subsidies. The biggest concern has to do with dairy products. Under the 1949 law, the price-support formula assumes production costs far higher than experienced by modern dairy farmers. Reaching the target price would require the USDA to buy and store enough dairy products to raise the price paid to farmers from about \$18 per hundredweight to \$40 per hundredweight. Some have maintained that such action would cause milk prices to reach as much as \$8 a gallon. But Lucas, chairman of the House Agriculture Committee, said no mechanism is in place for the USDA to carry out such an operation. "We are exploring all options to prevent the 1949 farm bill from taking effect, especially as it relates to dairy policy," Lucas said. "In any event, implementation of permanent law will take a considerable amount of time, and to that end, I call on (Agriculture Secretary Tom Vilsack) to carefully consider all relevant factors and to take public comment through a rulemaking process before proceeding." In other words, the same arcane rules that make the 1949 law a potential reality also allow its implementation to be drawn out until the situation is resolved. Reese said that's likely to be what happens "unless the USDA did some preliminary rules, and I don't see that happening. If it does happen it will be to put pressure on policymakers." Congress' inability to agree on a farm bill is another symptom of its paralysis. Lucas' House Agriculture Committee approved its version with a large

bipartisan majority last summer. The full Senate passed its version with similarly broad support in June. But a faction of House Republicans wanting deeper cuts to nutrition, insurance and price support programs have effectively kept either bill from advancing. Some Democrats also oppose the bills, chiefly because of reductions for food stamps and similar programs. Mike Spradling, president of the Oklahoma Farm Bureau, sounded more concerned about the ramifications. He said many members of the public and Congress don't understand that price supports and crop and livestock insurance don't just protect farmers and ranchers. Those programs help stabilize food supplies and prices, which ultimately benefits consumers, he said. "I understand people don't like farm subsidies," Spradling said, "but they need to think about who is being subsidized." Randy Krehbiel 918-581-8365 randy.krehbiel@tulsaworld.com SUBHEAD: State officials say fiscal cliff troublesome than not having a farm bill. Original Print Headline: Milk price fears downplayed