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POLITICS

House Approves Farm Bill, Ending a 2-Year Impasse

By RON NIXON JAN. 29, 2014

WASHINGTON — The House of Representatives on Wednesday passed a bill authorizing nearly \$1 trillion in spending on farm subsidies and nutrition programs, setting the stage for final passage of a new five-year farm bill that has been stalled for more than two years.

Negotiators from the House and Senate spent several weeks working out their differences on issues in the legislation, including cuts to food stamps, income caps on farm subsidies and a price support program for dairy farmers. The bill is expected to save about \$16.6 billion over the next 10 years.

The bill passed the House by a vote of 251 to 166. The Senate is expected to take up the bill later this week.

Compared with earlier, more contentious votes on the farm bill, Wednesday's vote was largely bipartisan. Many Democrats who had opposed it because of cuts to the food stamp program supported it on Wednesday. A number of Republicans, including many who wanted deeper cuts to the food stamps, also voted for passage.

The House speaker, John A. Boehner of Ohio, and the majority leader, Eric Cantor, Republican of Virginia, had endorsed the bill and urged Republicans to support it, even though they said they would have liked to see more changes.

"This is legislation we can all be proud of because it fulfills the expectations the American people have of us," said Representative Frank D. Lucas, Republican of Oklahoma, who led House efforts to pass the farm bill.

House leaders are now expected to turn their attention to other issues, including the Affordable Care Act, ahead of the 2014 midterm elections.

It is unclear where the Obama administration stands on the new farm bill. Mr. Obama had signaled his opposition to any bill that cut food stamps and expanded crop insurance.

The new farm bill, which had been mired in partisan gridlock, makes fundamental

changes to both nutrition and farm programs. It cuts the food stamp program by \$8 billion, and about 850,000 households will lose about \$90 in monthly benefits under the change.

Anti-hunger groups called the food stamp cuts draconian. Feeding America, a coalition of food banks across the country, said the change would result in 34 lost meals per month for the affected households.

The bill does provide a \$200 million increase in financing to food banks, though many said the money might not be enough to offset the expected surge in demand for food.

Farm programs were not spared from the cuts in the new bill. The most significant change to farm programs is the elimination of a subsidy known as direct payments. These payments, about \$5 billion a year, are paid to farmers whether or not they grow crops, and the issue had become politically toxic over the last several years as farm income has risen to record levels.

The new bill cuts this subsidy and adds some of the money to the government-subsidized crop insurance. The government pays 62 percent of premiums for the \$9 billion-a-year insurance program.

Lawmakers said the elimination of the direct payments ensured that only those who actually farm would receive subsidies and only when affected by a disaster such as drought. Budget watchdog groups called it a bait-and-switch, and said it replaced one subsidy with an even more generous one.

"This bill is so bad, they literally stripped reform from the title," said Steve Ellis, vice president of Taxpayers for Common Sense, based in Washington.

Although most agriculture groups generally supported the new farm bill, several were left disappointed.

The seafood industry expressed disappointment that a contentious seafood inspection program at the Agriculture Department remained in the bill, despite bipartisan efforts to repeal it. Meat and poultry industry groups also expressed their concern with the bill because it did not include language to delay a labeling program that requires retailers to list the country of origin of meat. The industry said the labeling was too costly.

The bill does not address the changes to the international food aid program sought by the Obama administration, but it does give an increase of about \$80 million to the United States Agency for International Development to buy food closer to disaster areas, rather than shipping food from the United States.

Anti-hunger groups, including the World Food Program, support the proposal.

Several environmental groups, such as Ducks Unlimited, also expressed their support for the new farm bill because it includes new soil and water conservation measures.

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POLITICS

Senate Passes Long-Stalled Farm Bill

By RON NIXON FEB. 4, 2014

WASHINGTON — The Senate on Tuesday passed the long-awaited farm bill, ending two years of partisan rancor and stalled negotiations and clearing what is expected to be the last hurdle for the nearly \$1 trillion spending measure.

The bill was passed with strong bipartisan support, 68 to 32. The legislation now heads to the desk of President Obama, who is expected to sign it.

“Many people said this would never happen in this environment, but Congress has come together to pass a major bipartisan jobs bill,” said Senator Debbie Stabenow, Democrat of Michigan and chairwoman of the Senate Agriculture Committee. “This effort proves that by working across party lines, we can save taxpayer money and create smart policies that lay the foundation for a stronger economy.”

The nearly 1,000-page bill reauthorizes hundreds of programs for agriculture, dairy production, conservation, nutrition and international food aid.

The Congressional Budget Office estimates that the bill will cost \$956 billion and reduce spending on farm subsidies and nutrition by \$16.6 billion over the next 10 years. But lawmakers said the savings would be much higher, around \$23 billion, when sequestration cuts to agriculture programs were factored in.

Among the biggest changes in the bill are cuts to the Supplemental Nutrition Assistance Program, commonly known as food stamps, the expansion of the crop insurance program and the elimination of direct payments to farmers. Direct payments have cost about \$5 billion a year, and have been paid to farmers regardless of whether they grew crops.

Spending on the food stamp program will be reduced by about \$8 billion over the next decade, and will account for about 1 percent of the total spending on food stamps in the bill. The reduction in spending will affect about 1.7 million people, who will have their benefits reduced by about \$90 a month, according to the budget office. The bill’s proponents said the measure closed a loophole exploited by 16 states that helped food

stamp recipients get more in benefits than they should have.

But antihunger advocates said the cuts would increase the number of people in need of food, even though the bill adds about \$205 million to food banks.

“These cuts will be absolutely devastating,” said Sheena Wright, the president of the United Way of New York City. “Two hundred million can in no way plug a nearly \$9 billion hole.”

The bill adds \$7 billion to the crop insurance program, a government-backed insurance subsidy that dates to the Dust Bowl. Taxpayers pay about 62 percent of the premiums. Some of the savings from the elimination of direct payments will be added to the crop insurance program. Proponents of the program said it provides a better safety net for farmers and ensures that they get help only in cases when they need it, such as a natural disaster.

But critics of the crop insurance program, such as Vincent H. Smith, a professor of agriculture at Montana State University, and conservative groups like the Heritage Foundation, said the program had morphed from a safeguard against natural disasters into income support for farmers.

The bill also makes changes to the international food aid program and contains several conservation measures supported by environmental and hunting groups. And it adds money to combat fraud in the food stamp and crop insurance programs.

“Given all the complexity and competing interests, I think they did an adequate job,” said Dan Glickman, a former agriculture secretary and member of Congress.



POLITICO

Congress approves 5-year farm bill

By: David Rogers
February 4, 2014 03:06 PM EST

The long-tortured farm bill cleared Congress on Tuesday, ending a two year struggle that split the old farm-food coalition as never before and dramatized the growing isolation of agriculture and rural America in an ever more urban House.

Written off as dead just months ago, the giant five-year measure won final approval from the Senate on a 68-32 roll call and goes next to President Barack Obama for his signature.

Throughout the whole drama, Obama has remained remarkably detached, an almost bit player. But Agriculture Secretary Tom Vilsack and his deputy Krysta Harden will move to center stage now as they try to put the pieces in place before spring plantings, just weeks away in some regions of the South.

(Also on POLITICO: Full agriculture policy coverage)

"Today's action will allow the proud men and women who feed millions around the world to invest confidently in the future," Vilsack said in a statement released after the Senate vote. "This legislation is important to the entire nation."

Obama himself sounded the same note, saying the bill will add "certainty" for farmers and ranchers and includes "a variety of commonsense reforms that my Administration has consistently called for."

"As with any compromise, the Farm Bill isn't perfect – but on the whole, it will make a positive difference not only for the rural economies that grow America's food, but for our nation," the president said.

Indeed, whether it is cows, cotton or corn, the bill represents a landmark rewrite of commodity programs coupled with what proved in the end to be bipartisan reforms in the food stamp program.

(From POLITICO Magazine: The robots that saved Pittsburgh)

Factoring in cuts already begun during the two-year debate, the bill should generate about \$23 billion in 10-year-savings, but all such estimates are vulnerable to wide swings given the drop in corn prices since last summer.

Just hours before the Senate vote, in fact, the Congressional Budget Office released new projections that show a big spike from what CBO had previously predicted for Commodity Credit Corporation outlays over the coming years.

The new CCC estimates are not based on the commodity title in the new farm bill, which will be fully scored by CBO as part of its March baseline. But the added costs are substantial and come enough from like-minded farm programs that are a harbinger of the volatility ahead.

By comparison, the farm bill's savings from food stamps, about \$8 billion or a third of the package, are more consistent.

The single biggest comes from cracking down on what many see as an abusive scheme employed by about 16 states that distribute token amounts of low-income fuel assistance to households to help them gain higher benefits.

(Also on POLITICO: On the Ground Virginia: Mark Warner theater)

As little as \$1 per year in fuel aid can be used to claim a higher utility deduction and leverage far more in monthly food stamp benefits, especially in high-cost cities like New York. By insisting that the fuel aid be no less than \$20, the bill hopes to discourage this practice enough to generate \$8.55 billion in 10-year savings.

A portion of these savings is then plowed back into emergency food programs as well as employment and training services. This includes \$250 million for a set of pilot programs to test new ideas to move unemployed beneficiaries back into the workforce.

Tuesday's Senate roll call followed a 251-166 farm bill vote in the House just last Wednesday. And the rapid action completes a trifecta of sorts for Congress, anxious to put behind it the embarrassment of last October's government shutdown.

First was the budget agreement in December, followed by a \$1.1 trillion omnibus appropriations bill in January and now the farm bill — all in the space of just two months.

In the Senate, all three deals were handled by female committee chairs — a matter of some pride for the Democratic caucus. And in a bit of comic relief, Minority Leader Mitch McConnell, a naysayer throughout, jumped on board the farm bill at the end because of a hemp provision important to Kentucky farmers — and his reelection — back home.

"We like hemp," said a smiling aide.

McConnell's fellow Republicans split evenly: 22 with him for the farm bill and 22 against, including his fellow Kentuckian, Sen. Rand Paul. A second interesting GOP split was in Kansas, where Sen. Pat Roberts, after winning big concessions for the crop insurance industry as a member of the Senate Agriculture Committee, voted no while Sen. Jerry Moran, who heads the National Republican Senatorial Committee, voted yes.

Where Senate Democrats split, the divisions appeared to be largely over food stamp cuts. Forty four Democrats backed the bill together with two independents, Nine voted against, largely from states in the Northeast.

From a policy standpoint, the farm bill's single biggest decision is to end the nearly 18-year-old system of direct cash payments to farmers, which cost more than \$4.5 billion annually and go out at a fixed rate — whatever a farmer's profits or even if he hasn't planted crops.

But in many respects, the deeply partisan House fight over food stamps proved a huge

distraction from what might have been a larger, more meaningful debate over agriculture.

The Senate twice approved bipartisan farm bills in 2012 and 2013. But House Republican leaders blocked all floor action in the last Congress and then contributed to the defeat of a first attempt at a bipartisan House bill last June — again because of differences over nutrition spending.

The end result was that once House-Senate negotiations finally began in October, the time pressure to get a deal was such that the commodity title seemed to consume all the remaining energy.

Senate Agriculture Chairwoman Debbie Stabenow (D-Mich.) was able to salvage landmark conservation provisions as well as major new investments in specialty crops. But even modest initiatives to address the plight of bees got short shrift. And critics like former Agriculture Secretary Dan Glickman would argue that Congress missed an opportunity to focus on the larger issues of food security and what he sees as a real need to energize still more research beyond the increases provided in the farm bill.

“Given the challenges ahead, we really have to do more research in agriculture at all levels,” Glickman said, “The government and the land grant universities.”

As Tuesday’s CBO numbers show, the new farm bill arrives just as commodity markets face new turbulence after several years of steady prices and profits amid the boom for corn and ethanol.

Instead of direct cash payments, which are tied to the land, producers will have to make a choice in the next few months between two options linked to real market losses.

Vilsack has designated deputy secretary Harden to take the lead in overseeing implementation of the new bill, and working groups have already been established in the department to try to prioritize what segments must move first.

In the commodity title, the multitude of changes pose a real challenge given the short window before farmers must sign up for programs this spring.

Producers will be locking themselves in for a five-year stretch, and at the same time they must also decide if they wish to reallocate their base acres between crops going forward.

The first new option, known as Agriculture Risk Coverage or ARC, promises early but temporary assistance to growers faced with a downward cycle of prices. Payments would be triggered once prices fall 14 percentage points below the prior five-year average or about \$4.55 per bushel in the case of corn. But the subsidy covers only a narrow 10-point band and will fade after several years if prices don’t improve.

The second choice, Price Loss Coverage or PLC, fits the more classic countercyclical model of fixed, government-set target prices. For corn and soybeans, these are substantially lower than ARC’s threshold but in the case of wheat, the PLC reference price of \$5.50 per bushel is close enough to tempt some growers looking for a more permanent floor to cover production costs.

Smaller, often Southern crops like rice, peanuts and sorghum are expected to sign up for PLC. And as an added inducement, the bill allows these growers access to a new supplemental crop insurance option that will become available in 2015, providing lower cost coverage based on countywide revenues.

In an historic change — driven by years of trade disputes — about 10 million acres of cotton will come out of the commodity title and into a new revenue insurance program expected to be up and running by the 2015 crop year.

The premium costs for cotton are even more heavily subsidized than regular crop insurance and will cost \$3.8 billion over nine years, including \$556 million in transition payments to help growers through the next year. But on balance this is still less than what has been going out the door in the form of direct payments. And the industry hopes the new approach will end its battles with Brazil and the World Trade Organization.

Next to cotton and other row crops, the dollars associated with the dairy program have never been large. But they do get bigger under the new farm bill and had an outsized impact on the final negotiations in the House.

The central feature is a new insurance program under which dairy farmers can buy coverage to protect their operating margins: the difference between milk prices and what a farmer pays in feed costs. The challenge was to find a way to guard against over-production — without resorting to supply controls vehemently opposed by Speaker John Boehner (R-Ohio).

The compromise was a two-step approach. The bill promises to fully meet the margin payment owed to a farmer on the coverage for his base milk production. But it only pays out on 25 percent of the margin coverage for any milk above the farm's assigned base.

In essence the government draws a line: saying it will help protect a dairy farmer's core operations but anything above that requires the farmer to shoulder most of the risk.

Nonetheless, the estimated costs jump to about \$912 million over 10 years — nearly three times what the Senate had hoped to spend under its alternative with more hands-on government supply controls.

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POLITICO

Even farm bill signing is controversial

By: David Rogers
February 6, 2014 05:17 PM EST

Even after it's passed Congress, nothing comes easy for this farm bill.

President Barack Obama is slated to sign the measure into law Friday, but at the urging of Senate Agriculture Committee Chairwoman Debbie Stabenow (D-Mich.), he will do so at Michigan State University — not at the customary White House ceremony.

That decision appears to have been made without first consulting the House Agriculture Committee leadership and has left hurt feelings — and empty seats — in its wake.

(Also on POLITICO: Full agriculture policy coverage)

Indeed, among the top four negotiators on the farm bill, only Stabenow is expected to attend the event.

In an interview, the chairwoman said her goal was to show Obama out in the country and celebrate Michigan State's history as one of the nation's first land grant universities. And in fairness to her, Republicans aren't exactly clamoring to be seen with the president these days in any case.

Both House Agriculture Chairman Frank Lucas (R-Okla.) and Mississippi Sen. Thad Cochran, Stabenow's ranking Republican, face tea party challengers at home.

"It's a long way. It's going to be signed whether I'm there or not," Cochran said. Lucas begged off with a prior engagement.

But Minnesota Rep. Collin Peterson, the ranking Democrat in the House, was also caught off guard and said Thursday he is not going. Among staff in both parties, there's a general letdown. Having worked huge hours to put the giant bill together, many had been looking forward to some bipartisan celebration after what's been two years of struggle.

(Also on POLITICO: Congress approves 5-year farm bill)

From a list released by the White House Friday morning, no Republicans from the House and Senate Agriculture Committees are expected to attend, and just four other Democrats who were part of the larger 41 member House-Senate conference on the farm bill.

Apart from Stabenow, those slated to travel on Air Force One with Obama included Sen. Patrick Leahy (D-Vt.) and Sen. Amy Klobuchar (D-Minn.) of the Senate Agriculture Committee. Rep. Marcia Fudge (D-Ohio), who played an important role as a leadership appointee to the talks, was also to travel with the president. And the White House said it

also expected Rep. Filemon Vela (D-Texas) a member of the House Agriculture Committee, to attend, though traveling separate from the president.

"The president needs to sign a farm bill outside of Washington D.C. I'm thrilled he wants to go to America's first land grant university," Stabenow said. "I think it's wonderful."

"I invited them in and it was up to them to decide," she said of the other top negotiators on the bill. "But I'm sure that the president would be happy to go to Chairman Lucas' district if he would like him to do that."

"We have a lot of leaders coming in from around the country. This is a premier agricultural institution. They have great pride that the president of the United States would choose to recognize them and come to Michigan."

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The White House sounded the same upbeat note.

"The President believes it's important to get out of Washington and talk to the American people about policies that will impact their lives — and the farm bill is a perfect example," a spokesman said. "Visiting Michigan — and America's first land-grant university — will also provide an opportunity to see firsthand the research that institutions like Michigan State are doing to create jobs and drive innovation that benefits farmers, ranchers, our rural communities, and our nation as a whole."

There's no question that many members of both houses and both parties were critical to passing this bill — that's why we've invited dozens of members from both parties to attend the event."

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POLITICO

Farm bill signed; USDA on the clock

By: Bill Tomson
February 7, 2014 03:29 PM EST

Now the clock starts ticking for the U.S. Department of Agriculture.

President Barack Obama on Friday signed a new five-year farm bill that will sink billions more dollars into crop insurance, provide desperately sought disaster assistance for ranchers and overhaul the way the government supports dairy farmers.

"It helps rural communities grow, gives farmers some certainty [and] puts in place important reforms," Obama said, standing in front of a green John Deere tractor and a produce display, at Michigan State University, before putting his name on the Agriculture Act of 2014. A crowd of about 500 applauded.

Traveling with the president to East Lansing was Sen. Debbie Stabenow (D-Mich.), one of the farm bill conference committee's four principal negotiators who reportedly convinced the White House to hold the ceremony in Michigan, instead of Washington, D.C.

Also in tow on the trip was Agriculture Secretary Tom Vilsack, who will be in charge of prioritizing what in the 949-page bill gets implemented first and how to get the new programs up and running.

(Also on POLITICO: Even farm bill signing controversial)

First on USDA's to-do list should be putting in place a disaster assistance program for ranchers, said Mary Kay Thatcher, senior director of congressional relations for the American Farm Bureau Federation. A similar program attached to the 2008 farm bill expired in 2011, leaving ranchers at the mercy of a scorching drought in 2012 that decimated hay and forage crops and a freak blizzard in the Dakotas and Nebraska last year that killed tens of thousands of cattle and other livestock.

"Those guys haven't had help in over two years," Thatcher told POLITICO.

The new farm bill contains about \$7 billion worth of funding for ranchers, including the Livestock Indemnity Program and the Livestock Forage Program, which provides immediate assistance for those who have been hit by disaster.

But USDA needs to also be mindful that American farmers will be going back into the fields soon and the government will have to act fast to establish the new crop insurance and subsidy programs that were the hallmark achievement for lawmakers in the new farm bill, Thatcher said.

Gone now will be the controversial direct payments that sent out about \$5 billion worth of checks to farmers every year. That money went out to farmers and land owners whether

or not they need it and sometimes even if they weren't crowing crops, but the 2014 farm bill took a different tack with counter-cyclical programs that pay out when revenue or prices drop.

The farm bill, Obama said, "saves tax payers hard-earned dollars by making sure that we only support farmers when disaster strikes or prices drop. It's not just automatic."

(Also on POLITICO: Full agriculture policy coverage)

If USDA gets the programs up and running in time, grain, oilseed and other farmers will have a choice between subsidies like the Agriculture Risk Coverage plan that makes payments when revenues fall below a trigger level and the Price Loss Coverage plan that pays out when market prices fall below trigger levels.

One of USDA's biggest tasks, according to officials at the National Farmers Union will be making sure that "farmers are well-informed about their decision between PLC and ARC."

And ARC will be especially complicated, Farm Bureau's Thatcher said.

"I think ARC for the individual farmer versus for the county will be extremely difficult for USDA to write in regs," she said.

Cotton farmers have been taken out of the traditional crop subsidy equation and given a new insurance-based safety net called the Stacked Income Protection Plan, and USDA will likely be challenged in putting together the complex new program that collects premiums and pays out indemnities when county revenues fall below a trigger level set by a combination of historical yields and market prices.

The new farm bill gives USDA six months to set up a never-before-tried support system for America's 50,000 dairy farmers, a concept that was cobbled together by Hill staffers, the USDA and industry representative as a compromise in the final days before Senate and House negotiators produced their conference report. The margin insurance program makes for complex policy writing.

Obama praised the farm bill as a bipartisan triumph and thanked Republican lawmakers like Sen. Thad Cochran (R-Miss.) and Rep. Frank Lucas (R-Oka.) for their work on it. Some 50 lawmakers were invited to East Lansing for the signing, including Republicans, but no members of the GOP accepted the invitations, White House press secretary Jay Carney told reporters on Air Force One, according to press pool reports.

"I am pleased we have a new farm bill in place to provide certainty for the next five years to America's farmers, ranchers, and consumers, and I appreciate the efforts of everyone who helped make it possible," Lucas said in a statement released Friday minutes after the signing.

Much of that "certainty" will come from the \$41 billion the government will spend over the next five years on a beefed-up crop insurance program, that lawmakers have said is the heart of the farm bill and Obama championed Friday.

"This farm bill includes things like crop insurance so that when a disaster like the record drought we're seeing across much of the West hits our farmers, they don't lose everything they've worked so hard to build," he said.

Of course the Supplemental Nutrition Assistance Program will be responsible for the bulk

of farm bill spending - roughly \$756 billion out of the farm bill's total projected \$956 billion over 10 years. Obama said he would not sign a farm bill unless it contained that "protection for vulnerable Americans."

White House officials have said previously that Obama did not approve of the \$8 billion in cuts the new farm bill makes to SNAP, but the president didn't mention the reduction in his address Friday.

The cuts could have been much deeper, though. The Republican-controlled House attempted to cut SNAP spending by \$40 billion, a far cry from the \$4 billion that the Democrat-controlled Senate approved in its competing farm bill version.

"A large majority of SNAP recipients are children, or the elderly, or Americans with disabilities," Obama said Friday. "A lot of others are hardworking Americans who need just a little help feeding their families while they look for a job or they're trying to find a better one."

CORRECTION: The 2014 farm bill created a stacked income protection plan for cotton farmers. A previous edition of this article said the program was created for wheat farmers.

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latimes.com/nation/la-na-obama-farm-bill-20140208,0,1856746.story

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President Obama travels to Michigan to sign farm bill

He cites the long-delayed bill as a victory for his economic agenda and uses the opportunity to stress the importance of rural America to the economy.

By Kathleen Hennessey

9:25 PM PST, February 7, 2014

EAST LANSING, Mich. — Keen not to let a rare legislative accomplishment go unnoticed, advertisement President Obama jetted to an agricultural research hub here Friday to sign into law a long-delayed farm bill and tout the importance of rural America to the economy.

In a brief trip to Michigan State University, Obama cited the bill as a victory for his economic agenda and a hopeful sign he could "break the cycle of short-sighted, crisis-driven, partisan decision-making."

His message, however, was undermined by the release of a weak jobs report and a snub from Republican lawmakers who were invited to the unusual outside-Washington signing ceremony but did not attend.

The nearly \$1-trillion bill, which had been logjammed for years in a divided Congress, passed this week. The Agricultural Act of 2014 sets policy for the next five years on crop subsidies, nutrition programs, conservation and food stamps. It also includes policies on cockfighting, biofuels, climate change and farmers markets.

Speaking at the university's equine performance center, Obama described the legislation as an economic, environmental and agricultural bill rolled into one. "It's like a Swiss army knife. It's like a Mike Trout," the president said, referring to the Angels center fielder who is known for his versatile skills. "It multitasks. It's creating more good jobs — gives more Americans a shot at opportunity."

As with most efforts in Washington, the bill had become tangled in the debate over government spending.

The final product was a compromise between Republican deficit hawks and Democrats seeking to protect safety-net programs. It cuts food stamps by \$8 billion over the next decade, much less than the \$40-billion reduction initially approved by the Republican-led House. The law puts an end to direct payments to farmers — a controversial program in which farmers received federal subsidies regardless of their output. The White House had argued that many payments went to wealthy farmers.

More than demonstrating hope for compromise on other measures, the event suggested the limits on bipartisan comity. The White House said it had invited about 50 lawmakers from both parties, but no Republicans showed up.

"Everyone invited has to speak for himself or herself about their decision to attend or not attend," White

House spokesman Jay Carney said. "Look, this was a bipartisan effort and everyone involved in it deserves credit. The president is happy to share credit for that."

House Agriculture Committee Chairman Frank D. Lucas (R-Okla.) was invited, said Tamara Hinton, a spokeswoman, but "prior commitments in Oklahoma prevented him from attending."

Lucas released a statement that called the bill a safety net for the food supply and for struggling Americans, but added that its focus was "rightly placed on reducing the size and cost of the federal government."

The president toured the Michigan Biotechnology Institute, a subsidiary of the university that develops ways to process corn and wheat into biofuels, animal feed and other products. Wearing protective goggles, Obama walked amid the stainless-steel containers and pipes of the center's fermentation facility.

"This is a very fancy pressure cooker," he said to reporters trailing him.

Later, the president ran his fingers through a mulch-like material, which he said was a byproduct of corn.

"What we're doing here is finding more efficient ways to convert it into usable pellets that can enhance the feeding of livestock, to a whole host of other things," he said, describing the process as "energy-efficient and environmentally sound."

Obama also had lunch with Detroit Mayor Mike Duggan. In September, the Obama administration offered a \$300-million aid package to the financially troubled city and suggested there would be more. But the president did not come to Michigan with any additional federal help for the city.

Obama's focus was on rural America, not urban Detroit. The president praised the farm bill for supporting rural growth and repeated his hope that this would be a rebound year for the economy.

The January jobs report released Friday showed lower-than-expected growth, but the nation's unemployment rate dropped to 6.6%, the statistic the president chose to highlight in his speech.

"Our unemployment rate is now the lowest it's been since before I was first elected," Obama said before signing the farm bill on a stage with Michigan Sen. Debbie Stabenow and other Democratic lawmakers. "The companies across the country are saying they intend to hire even more folks in the months ahead. And that's why I believe this can be a breakthrough year for America."

The White House, seeking to focus on the farming sector as a bright spot in the economy, announced a new export initiative that includes a series of "Made in Rural America" forums to educate local governments and groups on how to promote exports.

The Department of Agriculture will train its employees to better advise producers on how to connect with foreign businesses, officials said, while the administration's Rural Council, an advisory board, will convene a conference on investing in rural America.

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