

*Agriculture Today- Red River Farm Network*

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Mike Hergert and Rep. Collin Peterson (D., Minn.)

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NOTE: This is an **Unofficial Transcript** of a *Red River Farm Network* interview.



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**Mr. Mike Hergert:** Collin Peterson joins us now, Minnesota congressman. This is kind of like coming back home for you, isn't it?

**Rep. Collin Peterson:** Yeah. Well, my son lives here in Fosston, so got to see him a little bit.

**Mr. Hergert:** That's always fun. So where do we stand? You mentioned after your presentation here it takes a long time to tell people what we're...how tough it is, maybe we won't get anything done. Now where does it stand as far as the farm bill?

**Rep. Peterson:** We don't know. I mean, the Senate's going to start markup probably the end of March. The idea is the Senate is going to go first, and then if they get it out of committee, then we'll take it up in committee. Then they're going to try to go to the floor first, and then we'll try to take it to the floor. We're going to try to get it done by May or June. But in this election climate, you know, it's... The farm bill is hard under any circumstances, but...

Of course the '08 bill we were in the same kind of somewhat time frame, you know, and we got it done. But of course the bill had actually expired in '07 and we had to extend it four or five... We didn't actually extend the bill, we extended some of the provisions. So there's not quite as much of an urgency, but we're going to try. And I think the leadership in the House wants us to be able to get this done. But whether we'll be able to get the members pulled together, nobody knows at this point. We're going to work together on a bipartisan basis. We're going to try as hard as we can. But it's going to be difficult.

**Mr. Hergert:** In your presentation here to the group in Fosston it sounded to me like you're going to start with the bill that was presented to the super committee.

**Rep. Peterson:** Yeah, that would be the idea, we'd start there. You know, as I said, the dairy stuff is pretty well worked out. The conservation stuff everybody seems happy with. I think the nutrition is in the range of where we'll end up. But there are some differences in the commodity title, and of course the president put crop insurance kind of into play, so that's going to be... We've got to get these farm groups together, and right now they're not.

Tomorrow I'm meeting with all of the farm groups from my area. In fact, there's North Dakota people coming in and so forth. I think just about every commodity group is going to be there, and I'm going to try to get those guys in the mode where they've got to get this worked out. And of course it's got to be worked out at the national level, too.

So at some point, you know, we'll listen to everybody, but if they can't come together, we're going to have to make a decision about where we think is the best kind of middle ground, which is kind of what we did in the super committee, but there have been some evolving thoughts since then, and we'll just have to try to work this out.

**Mr. Hergert:** When you say coming together, could that mean this so-called three option approach?

**Rep. Peterson:** Well, there will be. I think it's going to be three options. I mean, I don't see any other way to do this. There's going to be the target price, kind of a cyclical component, there's going to be some kind of shallow loss/catastrophic loss component, and there's going to be a cotton program, the STAX program. And I don't see any... I mean, rice and peanuts are the ones that are primarily interested in the target price. That brings them on board. And there might be some people out here that might use the target prices. The other commodity groups are more interested in the shallow loss/catastrophic loss.

But we just don't have the money to do a one-size-fits-all program anymore. And frankly, the crops are different. I mean, the rice market, they don't have ethanol, so they're struggling. They don't have access to Japan and a lot of these big rice consuming countries. They don't have access. Now peanuts, they've got their own problems. Cotton, you know, the WTO case. So to try to fix all of them and have a program that's going to work for cotton or for corn and soybeans and wheat, I just don't see it, so I think there will be three options.

**Mr. Hergert:** I've got to take a break. Can you stick around with us, Congressman?

**Rep. Peterson:** Sure.

**Mr. Hergert:** Collin Peterson our guest. Coming to you from Fosston, this is our coffee shop tour on the Red River Farm Network. *[Break.]* We're back from Fosston, Minnesota, site of our coffee shop tour. Our sponsor is Minnesota Corn Growers Association and Ag Country Farm Credit Services. Collin Peterson, Minnesota Congressman and the Ranking Member of the House Ag Committee our first guest.

And Collin, it sounds like maybe this farm bill process can move somewhat quickly in committee, at least.

**Rep. Peterson:** Yeah, I think the committee, we're going to be able to... We have to wait till we get the CBO official score, which should be the middle of March. I don't see any reason why we can't get this through both the House and Senate committee. The problem is going to be getting floor time and what kind of amendments we're going to have to deal with on the floor, whether we're going to be subject to an open rule or not.

I got the sense that – in the Senate, of course, it's a different deal – but in the House, it sounds like [House Speaker John Boehner (R., Ohio)] was agreeing with us that this might be difficult to do with a complete open rule. And the last time we did the farm bill, we did it with a modified [closed] rule, so we allowed some amendments, but not hundreds of amendments. And if they would help us by limiting the scope of what the amendments are, that would make it a lot easier to get this done. But the decision hasn't been made. We'll have to get it out of committee and see what it looks like at that point before they'll give us kind of a commitment on what to do there.

**Mr. Hergert:** The president's budget last week takes another cut at crop insurance. What's your take?

**Rep. Peterson:** I just think it's premature. I mean, we made big changes in the farm bill and in the SRA [Standard Reinsurance Agreement] last year. We don't know what they actually did. The agents are complaining we took too much, especially Iowa and Illinois. The companies are complaining we took too much. On the other hand, the administration says we didn't take enough. I don't know. I've asked to see their books, to use my accounting background to get some sense of what I think, you know, who's actually telling the truth here.

But I would prefer that we wait, because we haven't done crop insurance, necessarily, in the farm bill, that's always kind of been separate. I would prefer that we get some actual hard data on what impact those changes had before we go off and make another change. I just think I would be more comfortable, because we've got to make sure crop insurance works. I mean, that's too important to screw up.

**Mr. Hergert:** You made the comment here today "eventually."

**Rep. Peterson:** Yeah, I think eventually that's where we're heading. We're going to have a crop insurance system, and...

**Mr. Hergert:** That's it.

**Rep. Peterson:** You know, maybe some kind of... You know, I don't know why we couldn't even handle disaster through crop insurance, and I've talked to the crop insurance people about that. It would be a fairly efficient, I think, way to do it. So I think that's where we're heading, barring some big collapse in prices. But if we get

back to a deal where corn prices go back down again significantly, corn and soybeans, then that could change the whole picture of things, and it could happen.

**Mr. Hergert:** Thanks for the time.

**Rep. Peterson:** Thank you.

**Mr. Hergert:** Good to see you. Collin Peterson, heading back to Washington, I suppose, later today?

**Rep. Peterson:** No, actually, we have this week off.

**Mr. Hergert:** Oh, you are?

**Rep. Peterson:** President's Day week and so it's a district work period, and so tomorrow I'll be in Moorhead meeting with all the farm groups, and I've got other meetings set up around the district, and so I'll be here until next Sunday or Monday, depending on what the weather looks like.

**Mr. Hergert:** Thanks, Collin. Good to see you.

**Rep. Peterson:** Thank you.

*[End of recording.]*