AMERICAN FARM BUREAU FEDERATION®
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FARM BILL

Issue:

The farm bill is an omnibus, multi-year piece of authorizing legislation that governs an array of agricultural and food programs. It is typically renewed about every five years. The 2014 Farm Bill contains 12 titles encompassing commodity price and income supports, crop insurance, farm credit, trade, conservation, research, rural development, energy, and foreign and domestic food programs, among others.

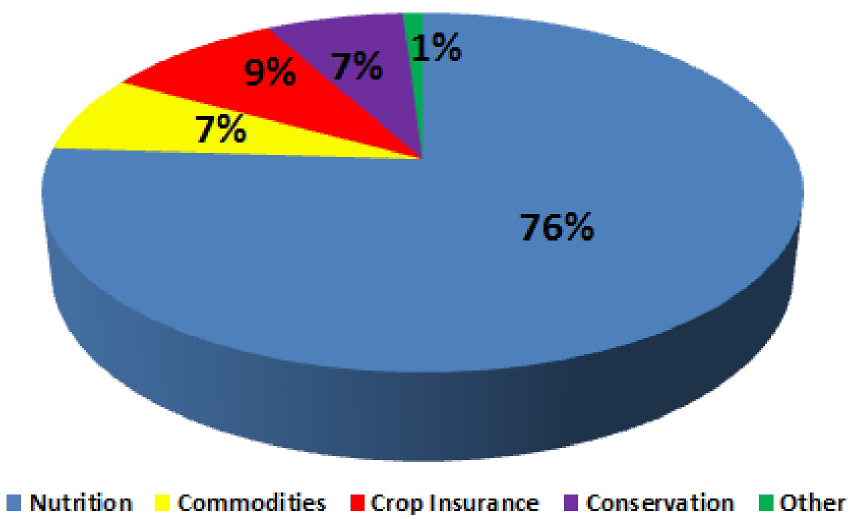
At the time of passage, the 2014 Farm Bill was projected to cost $956 billion over the next 10 years (FY2014-FY2023). The bill also made a $23 billion contribution to reduce the deficit over 10 years. It was the only reauthorization bill in that session of Congress that voluntarily offered savings. These difficult cuts resulted from hard choices made in order to reform and reduce the farm safety net, conservation initiatives, and nutrition assistance.

The Congressional Budget Office's (CBO) January 2017 baseline estimates that the 2014 Farm Bill has cost far less than projected. According to CBO, the bill will spend $80 billion less, while mandatory federal spending outside the Agriculture Committees' jurisdiction has risen over the same time period.

Passing a 2018 Farm Bill with additional funding reductions would be extremely difficult, if not impossible. Therefore, it is imperative that the House and Senate Ag Committees not be hamstrung by further budget or appropriations cuts to any farm bill program. Congress must recognize the substantial savings already achieved, which far exceed expectations, and provide the committees the opportunity to complete their work without arbitrary budget cuts or caps. With the agriculture and rural economy struggling, households across the country struggling to meet their basic needs for nutrition, and farm income down 46 percent from only three years ago, it would be perilous to hinder development and passage of the 2018 Farm Bill with further cuts.

Virtually all of the estimated total net outlays in the 2014 Farm Bill are in four farm bill titles: nutrition, crop insurance, conservation, and farm commodity support. The following chart gives a breakdown of the projected outlays as of January 2017.

2014 Farm Bill Funding



In less than three years, the 2014 Farm Bill has cost more than $81 billion less than projected.

	At Passage	January 2017	Difference	Percent Change
Commodities	$44.5	$58.5	+$14	+31%
Conservation	$57.6	$60.1	+$2.5	+4%
Nutrition	$756.	$672.	-$84.1	-11%
Crop Insurance	$89.8	$79.	-$10.8	-12%
Other	$8.1	$5.4	-$2.7	-33%
TOTAL	$956.	$875.	-$81.2	-8.5%

It is imperative that we pass a robust 2018 Farm Bill in a timely manner in order to provide certainty to America's farmers, ranchers and consumers.

AFBF Policy:
As we look toward writing a new farm bill, Farm Bureau members support the following overarching principles:

2018 Farm Bill Principles
We support the following principles to guide development of programs in the next farm bill:

- Protecting current Farm Bill program spending;
- Maintaining a unified farm bill which includes nutrition programs and farm programs together;
- Any changes to current farm legislation be an amendment to the Agricultural Adjustment Act of 1938 or the Agricultural Act of 1949; and
- Risk management tools which include both federal crop insurance and commodity programs as top funding priorities.

Other Principles:

Commodity Programs:

We support:

Continuation of a counter-cyclical program like the Price Loss Coverage (PLC) program and a revenue program like the Agriculture Risk Coverage (ARC) program;

If ARC-County is continued, we support changes to make the program more effective and fair to all farmers;

If existing programs continue, the opportunity for farmers to re-elect and/or re-enroll;

Basing Title 1 payments on historic, rather than planted, acres;

Modifying "Actively Engaged" rules to more broadly define "family" by including non-lineal familial relationships such as first or second cousins. The family farm exemption from the management restriction and recordkeeping requirements should remain in place; and

Developing farm savings accounts as a risk management option for all producers.

***Dairy*:**

- Changes to the Dairy Margin Protection Program (MPP) to provide producers more flexibility and better coverage; and
- Expansion of the current Livestock Gross Margin (LGM) dairy program.

Conservation:

- Maintaining funding for federal conservation programs which maintain environmental benefits;
- Working lands conservation programs over retirement lands programs;
- Maintaining the current prioritization of the Environmental Quality Incentives Program (EQIP) funding being targeted to livestock producers;
- Calculation of the Conservation Reserve Program (CRP) and the Conservation Reserve Enhancement Program (CREP) rental rates being re-examined annually at enrollment to ensure they mirror the rental rates of comparable land in the immediate area;
- Marginal and highly erodible land returning as the main focus of the CRP. The current limit of 24 million acres in the CRP should continue; and
- Improvements to the State Technical Committees to make them more ag friendly by encouraging producers' participation and input.

Specialty Crops:

- Incorporating all types of fruits and vegetables (fresh, frozen, canned and dried) into the Fresh Fruit and Vegetable Program providing an affordable option for increasing the variety available year-round for low income school children and more market opportunities for producers. Priority must be given to fresh and locally grown product when available notwithstanding price; and
- Maintain adequate funding for the specialty crop industry with emphasis on fundamental research, marketing and promotions, and pest management programs.

Livestock:

- The exploration of new risk management tools for livestock producers; and
- Raising the $20 million annual cap for LGM insurance programs.

Energy:

Adequate funding for the Rural Energy for America Program (REAP).

Rural Development:

- Streamlining programs and a more transparent and efficient grant and loan approval process for rural development programs that includes the timely approval of applications and a more effective priority-setting process so that federal funds are expended on projects with the greatest economic potential; and
- Modifying the broadband programs to increase utilization of loans and grants in rural/underserved communities. We support adequate funding for improvements in USDA's Community Connect, Distance Learning and Telemedicine, and Rural Gigabit Network pilot programs.

Trade:

Adequate funding for the Foreign Market Development (FMD) and Market Assistance Program (MAP).

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Credit:

Increasing the amount of funding authorized for the Farm Service Agency loan guarantee programs while maintaining the current caps on individual amounts a farmer may be granted.

Research:

Funding for agricultural research and education.

Acreage Crop Reporting Streamlining Initiative (ACRSI)*:*

Simplifying procedures, reducing paperwork requirements and streamlining interactions between the Farm Service Agency, the Natural Resources Conservation Service and the Risk Management Agency.

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