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FARM BILL

The farm bill is omnibus, multi-year 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.

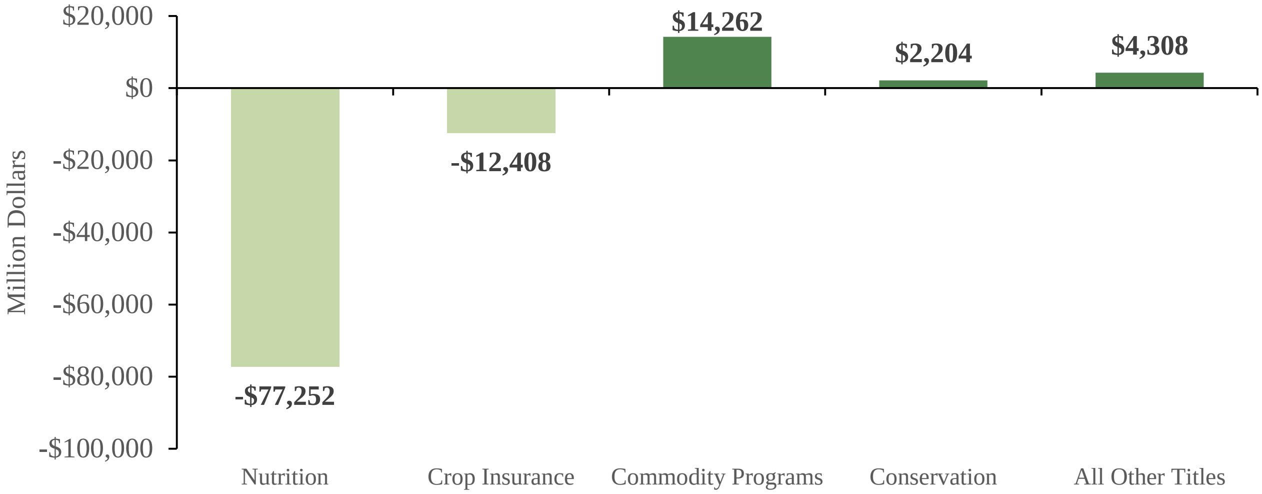
Virtually all of the estimated total net outlays in the 2014 Farm Bill are in four farm bill titles: nutrition, crop insurance, conservation, and farm commodity support. The following chart gives a breakdown of the projected outlays as of June 2017.

Figure 1. 2014 Farm Bill Spending, June 2017 Congressional Budget Office 10-Year Projections

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) June 2017 baseline estimates that the 2014 Farm Bill has cost far less than projected. According to CBO, the bill will spend $77 billion less, while mandatory federal spending outside the Agriculture Committees' jurisdiction has risen over the same time period.

Figure 2. Change in Projected Farm Bill Outlays at Passage and in June 2017.



Passing a 2018 Farm Bill with additional funding reductions would be extremely damaging to agriculture and rural America. 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 fighting 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.

In 2018, American Farm Bureau Federation (AFBF) delegates completed action on the Farm Bureau policies for 2018. AFBF aims to:

- Protect current farm bill spending;
- Maintain a unified farm bill that includes nutrition programs and farm programs together;
- Ensure any changes to current farm legislation be an amendment to the Agricultural Adjustment Act of 1938 or the Agricultural Act of 1949;
- Prioritize our top funding priorities -- risk management tools, which include both federal crop insurance and Title I commodity programs; and
- Ensure programs are compliant with the World Trade Organization agreements.

With regard to specific program areas, we provide the following recommendations:

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. Specific recommendations for the ARC and PLC programs include:
    - The opportunity for farmers to re-elect or re-enroll in ARC and PLC;
    - Basing Title 1 payments on historic, rather than planted, acres;
    - Using Risk Management Agency (RMA) data as the primary source to determine a more accurate county yield as long as RMA data at the farm level is protected from a Freedom of Information Act request; and
    - Making ARC-CO payments using the ARC-CO payment rate for the county in which the land is physically located rather than the rate for the administrative county used by the farmer.
- A cottonseed, cotton lint and/or seed cotton farm program in Title I that provides an option for generic base acres to be reallocated to a new cotton farm program.
    - In the process of reallocation, generic base acres that have been in agricultural use but not planted to an ARC/PLC crop must be allowed to maintain base acres.
    - We support a cotton marketing loan at 52 cents per pound.
- The current provisions for the peanut and sugar programs.
- All Title 1 payments be based 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, and the family farm exemption from the "actively engaged" management restriction and recordkeeping requirements not be altered.
- A dairy program that gives farmers an option to select either a program that provides protection against a decline in milk price or a decline in milk margin; and significant enhancements to any dairy gross margin program including:
    - Adjusting the program trigger to function monthly;
    - Increasing Tier 1 coverage from 4 to 5 million pounds of milk;
    - Increasing the catastrophic margin level from $4.00 to $5.00 per hundredweight;
    - Maintaining the ability to buy up to $8.00 margin coverage; and
    - Making strategic adjustments to the feed formula.

We oppose income means testing, payment limitations, and targeting of benefits being applied to farm program payment eligibility.

Insurance Programs:

We support:

- Further development and availability of the new Dairy Revenue Protection insurance product and the ability for producers to use it in conjunction with the Dairy Livestock Gross Margin program and the Title I dairy program.
- The removal of the $20 million annual cap on livestock insurance products.
- Expansion of RMA risk management programs for dairy producers, with the inclusion of milk as a defined commodity.

- The availability of crop yield and/or revenue insurance for all producers of all crops.
- Continuation of the federal government financial support, at a percent not less than current levels.
- Maintaining a revenue-based policy with the opportunity to use the Harvest Price Option.
- The currently legislatively approved farmer premium discount schedule.
- Continuation of the Whole Farm Revenue Protection (WFRP) program as a pilot program. Premiums should be based on the amount of risk and coverage should be based on a five-year Olympic average. The current $1 million eligibility cap for animals and animal products, as well as nursery and greenhouse production, should be increased. The minimum qualifying requirements for the 80 and 85 percent coverage level should be reduced from three to two commodities.

We oppose income means testing, payment limitations, targeting of benefits being applied to farm program payment eligibility and the public release of crop insurance indemnity payments made to individual producers

Conservation Programs

We support:

- Maintaining funding for federal conservation programs that maintain environmental benefits;
- Working and retirement land conservation programs, but prioritize working lands conservation programs in a tight budget environment.
- Reforming sodbuster and swampbuster programs to ensure clarity, transparency and consistency in the regulations, including promulgating rules subject to notice and comment regarding definitions and procedures for prior-converted wetlands, non-wetlands and wetland determinations; and severing the conservation compliance requirement for federal crop insurance in there is not sufficient progress in this regard.
- Improvements in the way the State Technical Committees operate in order to make them more ag friendly by encouraging producers' participation and input.
- The timely issuance of wetland determinations by qualified Natural Resources Conservation Services staff.
- Requiring USDA to update rental rate data for the Conservation Reserve Program (CRP) every year rather than every other year to ensure they mirror but do not exceed the rental rates of comparable land in the immediate area.
- Limiting the size of pollinator tracts with an emphasis on smaller parcels and capping pollinator rental rates. In addition, adequate flexibility should be provided in establishment practices and mid-contract maintenance for acres enrolled in the CRP to completely control any noxious weeds or problem species that may have been introduced in the pollinator plot.
- Marginal and highly erodible land returning as the main focus of the Conservation Reserve Program (CRP).
- Benefits to incentivize the leasing or selling of acres under CRP contracts to beginning farmers.
- Limiting land enrolled in CRP to only those site-specific locations in critical need of conservation measures, such as highly erodible land. In regions where working land conservation programs are better for the rural economy, general whole farm enrollments should be eliminated unless all acres on the farm meet the local criteria for conservation measures.
- Targeted acreage signups for the CRP that provide enhanced environmental protection, conservation and renewed economic opportunities in those areas.
- The current rule limiting CRP acres to 25 percent of the total county crop acres including

Conservation Reserve Enhancement Program (CREP) and all experimental pilot projects except for small acreage enrolled in continuous CRP.
- Maintaining the provision in current law that requires 60% of the Environmental Quality Incentives Program (EQIP) funding being targeted to livestock producers.
- Adequate funding for the Environmental Quality Incentives Program (EQIP) for fencing, fresh water and other livestock programs.
- Funding for CSP with greater accessibility to farmers.
- Annual open enrollment for the CSP with shortened contracts if funding for the program cannot fully accommodate all applicants.

We oppose:

- Increasing the cap on the CRP above the current 24-million-acre cap.
- CRP contracts similar to the current CRP program but only require short-term (3-5 year) enrollment.
- Allowing the same parcel of land to be re-enrolled in the general CRP after the conclusion of two contracts.

Specialty Crops:

We support:

- Maintaining an $80 million annual outlay for the Specialty Crop Block Grant Program with emphasis on fundamental research, marketing and promotions, and pest management programs.
- Collaborating with USDA on how the Specialty Crop Block Grant Program (SCBGP) funds can be better spread among numerous entities and an appeals process for grants that have been awarded.
- 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.

Livestock:

We support:

- Exploration of new risk management tools for livestock producers.
- Programs for livestock and tree producers, which include the Livestock Forage Program (LFP), the Emergency Assistance for Livestock (ELAP), Honey Bees, and Farm-Raised Fish Program, the Livestock Indemnity Program, the Tree Assistance Program, and the Emergency Haying and Grazing of CRP authorities.
- Livestock producers being able to obtain both Pasture Range and Forage insurance assistance and LFP.
- Increased funding for livestock disaster assistance programs, such as ELAP.

Trade

- We support increased funding for the Foreign Market Development and Market Access Program.

Credit

- We support 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

- We support maintaining current funding levels for agricultural research and education and federal investment in research that provides a mix of formula, competitive and special grants and reauthorization of the competitive research facilities program for land grant universities.

Acreage Crop Reporting Streamlining Initiative (ACRSI):

We support:

- Simplifying procedures, reducing paperwork requirements and streamlining interactions between the Farm Service Agency, the Natural Resources Conservation Service and the Risk Management Agency.
- Requiring that all information obtained by government agencies on specific individuals or farms be kept confidential and not made available for public information.
- Efforts to harmonize methods of property descriptions between FSA and RMA to streamline information sharing between the two agencies and to develop a common method to establish crop yields for the various programs.
- Upgrading computer technology and appropriate software to allow the NRCS, FSA, RMA, and National Agricultural Statistics Service (NASS) to utilize and share the same farm program enrollment information and production, provided appropriate privacy disclosures and safeguards are utilized.
- "One-stop shopping"—all farm program agencies, where feasible, should be located in the same building.
- The exemption of growers from the registration and reporting requirements associated with the System for Award Management.
- Allowing the System for Award Management (SAM) number to be valid for the length of the USDA project for the individual producer.

We Oppose:

- The Data Universal Number System being a requirement for participation in farm, conservation and other USDA programs.

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