



# HOUSE COMMITTEE ON AGRICULTURE — DEMOCRATS

## 2014 Farm Bill

### The Agricultural Act of 2014 (H.R. 2642)

#### **Title I: Commodities**

- Repeals direct payments, saving taxpayers nearly \$40 billion and ensuring that farmers who don't need help will not receive government subsidies.
- Establishes payment limits on farm safety net programs which were previously unlimited.
- Gives producers the choice between two counter-cyclical farm safety net programs, which only support farmers during the difficult times:
  - Price Loss Coverage (PLC) addresses deep, multiple-year price declines.
  - Agriculture Risk Coverage (ARC) addresses revenue losses.
- Eliminates two cotton farm programs and reforms another to address the WTO Brazil cotton case.
- Reauthorizes sugar policy.
- Creates a dairy margin insurance program that protects base production for the life of the farm bill. Also creates a new product purchase program when margins are below \$4.00. Allows California to come into the Federal Milk Marketing Orders after a producer vote.

Livestock disaster assistance programs will cover 2012 and 2013 losses and receive permanent baseline:

- Livestock Indemnity Program (LIP)
- Livestock Forage Program (LFP)
- Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP)
- Tree Assistance Program (TAP)

#### **Title II: Conservation**

- Gradually reduces maximum Conservation Reserve Program (CRP) enrollment to 24 million acres; adds flexibility for haying and grazing; continues the Transition Incentive Program; provides funding for thinning of trees; and allows for one-time early out of contracts.

- Incorporates Wildlife Habitat Incentives Program (WHIP) under the Environmental Quality Incentives Program (EQIP).
- Continues the Conservation Stewardship Program (CSP) at 10 million acres per year.
- Provides \$40 million for the Voluntary Public Access and Habitat Incentive Program.
- Establishes a new Agricultural Conservation Easement Program (ACEP) consolidating farm/ranch land easement and wetland easement programs.
- Includes waiver for landowner contribution if the land is in active agricultural production under Ag Land Easements in ACEP.
- Creates Regional Conservation Partnership Program (RCPP) to leverage USDA funding and resources by partnering with third parties or working directly with producers in watersheds and other critical conservation areas.
- Provides \$250 million in mandatory funding for the Small Watershed Rehabilitation Program.
- Provides \$5 million in mandatory funding for the Grassroots Source Water Protection Program to help ensure safe drinking water supplies in rural areas.
- Provides \$10 million in mandatory funding for wetland mitigation banking.
- Requires conservation compliance to receive crop insurance premium assistance.
- Provides for a \$900,000 adjusted gross income limitation for conservation program eligibility with no waiver.
- Grants priority treatment to conservation program applicants who commit to providing pollinator habitat and encourages the Secretary to ensure that conservation programs are resulting in sufficient high-quality pollinator habitat for managed honey bees.
- Regional Equity provisions are continued with modifications.

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### **Title III: Trade**

Reauthorizes the following programs:

- Market Access Program (MAP)
- Foreign Market Development Program (FMD)
- Technical Assistance for Specialty Crops (TASC)
- Export Credits (GSM-102)
- Emerging Markets Program (EMP)
- Global Crop Diversity Trust
- The Food for Peace Act
- Food for Progress Program
- Bill Emerson Humanitarian Trust
- McGovern-Dole International Food for Education and Child Nutrition Program

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## **Title IV: Nutrition**

- Closes a loophole related to how Low Income Home Energy Assistance Program (LIHEAP) payments interact with SNAP benefit calculation. SNAP participants who participate in LIHEAP will not face more rigorous certification requirements. This reform saves \$8.6 billion over ten years.
- Provides an additional \$20 million per year in additional support to food banks for The Emergency Food Assistance Program (TEFAP).
- Invests \$200 million in work pilot programs by directing the Secretary to operate projects in as many as 10 states to develop and improve innovative approaches to SNAP Employment and Training Programs. States are held accountable by reporting annually on set performance goals to ensure this funding is effective in creating sustainable jobs.
- Increases funding for Community Food Projects from \$5 million to \$9 million per year, with a focus on low-income communities.
- Provides \$100 million for SNAP incentives grants to increase purchases of fruits and vegetables.
- Bolsters USDA's enforcement of anti-trafficking efforts with \$15 million in additional funding.
- Allows SNAP benefits to be used for participation in Community Supported Agriculture.
- Reauthorizes the Senior Farmers Market Nutrition Program to include low-income families.
- Maintains funding for the Fresh Fruit and Vegetable Program and establishes a pilot to allow elementary schools with a high proportion of low-income students to purchase fresh, frozen, canned and dried produce.
- Maintains current funding for the DOD Fresh Program and creates a pilot program to allow up to eight states to use their allocation to source local produce.
- Reauthorizes funding for the Food Distribution Program on Indian Reservations (FDPIR), includes a feasibility study for more tribal control of nutrition programs and authorizes a local and tribal foods demonstration project.
- Improves the quality of SNAP-approved retailers by requiring participating retailers to stock more staple foods like fruits and vegetables; includes provisions to further monitor and prevent fraud at retail stores; and allows more service options for homebound elderly or disabled SNAP recipients.
- Ends SNAP Benefits for Lottery Winners.
- Requires states to verify benefits are not being paid to deceased individuals and that beneficiaries are not receiving payments in more than one state. Requires states to use an immigration status verification system to verify an applicant's immigration status.

- Prohibits states from allowing medical marijuana to be treated as a medical expense for purposes of income deductions when calculating SNAP benefits.
  - Prevents USDA from advertising the SNAP program through television, radio and billboard advertisements and prohibits USDA from entering into agreements with foreign governments designed to promote SNAP benefits.
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## **Title V: Credit**

- Increases the loan guarantee amount for the Conservation and Loan Guarantee Program from 75 percent to 80 percent, and, for beginning and socially disadvantaged farmers and ranchers, to 90 percent.
- Updates the Down Payment loan program limit from \$500,000 to \$667,000.

Enhances Beginning and Socially Disadvantaged Farmer and Rancher Provisions:

- Reauthorizes the Beginning Farmer and Rancher Individual Development Accounts Pilot Program.
  - Continues Loan Fund Set-Asides.
  - Establishes floating interest rate with floor of 2.5 percent for joint financing arrangements
  - Removes median farm size limitation by replacing “median” with “average”.
  - Provides the Secretary with discretion in defining the experience necessary to qualify a beginning farmer or rancher for a farm ownership loan.
  - Authorizes Microloan Program to target loans of \$50,000 or less to new or non-traditional producers and creates a pilot relending program with community development financial institutions to make or guarantee microloans.
  - Eliminates term limits on FSA guaranteed operating loans.
  - Clarifies that youth loans are not limited to rural residents.
  - Provides the Secretary with ability to forgive debt as result of circumstances beyond a youth borrowers’ control.
  - Directs the Secretary to develop valuation methods for local and regional foods for use in lending.
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## **Title VI: Rural Development**

Provides mandatory funding of \$150 million for water and waste water programs, \$63 million for value added program, and \$15 million for the Rural Microentrepreneur Assistance Program (RMAP).

Reauthorizes the following programs:

- Water, Waste Disposal and Wastewater Facility Grants
- Circuit Rider Program
- Imminent Community Water Assistance Grants
- The Intermediary Relending Program
- The Rural Microentrepreneur Assistance Program
- Rural Cooperative Development Grants are extended
- The Broadband Loan Program
- The Distance Learning and Telemedicine program
- Community Facilities loan and grant programs
- The Northern Great Plains and the Delta Regional Authorities

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## **Title VII: Research, Extension and Related Programs**

Provides mandatory funding for specific research programs:

- Specialty Crop Research Initiative – \$800 million
  - Designates \$125 million for citrus disease research through FY18
- Organic Research and Extension Initiative – \$100 million
- Beginning Farmer and Rancher Development Program – \$100 million
  
- Creates Research Foundation with \$200 million in mandatory funding to be matched with non-federal dollars.
  
- Includes outreach to veteran farmers and ranchers under the Beginning Farmer and Rancher Development program.
  
- Includes the Veterinarian Services Investment Act, requiring an entity to develop programs to relieve shortages, support private practices, and support those practices that successfully complete a specified service requirement.
  
- Requires the Secretary of Agriculture in consultation with the Secretary of the Interior and the Administrator of the EPA to publish guidance on enhancing pollinator health, to assess Federal efforts to mitigate pollinator losses and provide recommendations to Congress on how to better coordinate Federal agency efforts to address the decline of managed honey bees and native pollinators.

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## **Title VIII: Forestry**

- Extends the successful Forest Stewardship Contracting program, incentivizing local businesses to manage federal forestland.
  
- Provides authority for the Forest Service to accelerate its treatment of pine bark beetle infestation and natural disasters.
  
- Updates the strategic plan for the Forest Inventory and Analysis.

Reauthorizes the following programs:

- Forest Legacy Program
  - Office of International Forestry
  - The Rural Revitalization Technologies program
  - The Healthy Forest Reserve Program
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## **Title IX: Energy**

### Rural Energy for America (REAP)

- Creates mandatory funding baseline of \$50 million per year and creates a tiered, streamlined, and efficient application process for farmers and rural businesses applying for smaller or less costly projects to install renewable or energy efficient systems. The authority for feasibility studies is eliminated and a new definition for renewable energy systems is created to clarify congressional intent by eliminating eligibility for ethanol blender pumps.

### Biomass Crop Assistance Program (BCAP)

- Provides mandatory funding of \$25 million per year including funding for the establishment of dedicated energy crops and Collection, Harvest, Storage, and Transportation (CHST) payments. Producers may receive two years of CHST payments.

### Biorefinery, Renewable Chemical, and Biobased Produced Manufacturing Assistance Program

- Renamed from Biorefinery Assistance Program, includes renewable chemical and biobased product manufacturing and retrofitting, provides mandatory funding of \$100 million for loan guarantees for FY 2014, \$50 million for FY 2015-2016, and eliminates grant authority.

### Biobased Markets Program

- Provides mandatory funding of \$3 million annually, creates targeted biobased-only procurement requirement for federal agencies, amends the definition of “biobased product” to include a definition of “forest product” for USDA’s BioPreferred program.

### Reauthorizes and provides mandatory funding for the following programs:

- Bioenergy Program for Advanced Biofuels, \$15 million annually
- Biodiesel Fuel Education Program, \$1 million annually
- Repowering Assistance Program, \$12 million
- Biomass Research and Development Program, \$3 million annually
- Feedstock Flexibility Program

Community Wood Energy Program is reauthorized.

### Repeals or ends the following authorizations:

- Biofuels Infrastructure Study
- Renewable Fertilizer Study
- Rural Energy Self-sufficiency Initiative
- Forest Biomass for Energy Programs

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## **Title X: Horticulture**

- Provides \$150 million in mandatory funding to the Farmers Market and Local Food Promotion Program. This investment recognizes the growing consumer demand to improve direct producer-to-consumer market opportunities, including the development of local food systems.
- Provides \$290 million in mandatory funding for the Specialty Crop Block Grant Program and explicitly permits multi-state projects for the first time.

- Authorizes the first of its kind organic checkoff program, giving organic producers and processors the opportunity to institute an industry-funded USDA research and promotion program.
  - Provides mandatory funding for the Organic Production and Market Data Initiatives Program, a technology upgrade for the National Organic Program, and provides the NOP with enhanced investigation and enforcement tools.
  - Provides \$236 million in mandatory funding for National Plant Pest and Disease Management and the National Clean Plant Network.
  - Requires the Environmental Protection Agency, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to report to Congress on their actions to provide meaningful public participation and transparency in implementing and integrating the consultation requirements of the Endangered Species Act (ESA) and the pesticide registration requirements of the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA).
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## **Title XI: Crop Insurance**

- Establishes a Supplemental Coverage Option (SCO) to address a portion of losses not covered by individual crop insurance policies.
  - Encourages beginning farmers and ranchers, for their initial five years of production, through a 10 percentage point crop insurance premium reduction and improved production histories where natural disasters have depressed current Actual Production History (APH) yields.
  - Expands Risk Management for organic production, specialty crops, alfalfa and crops for bioenergy production.
  - Addresses problems with declining APH yields due to multiple year disasters by providing a transitional yield that reflects a producer's production capability on that land.
  - Creates the STAX crop insurance program to provide cotton producers with a WTO compliant farm safety net.
  - Authorizes whole farm insurance coverage which provides better risk management for diversified, smaller operations.
  - Requires that the Farm Service Agency (FSA) and the Risk Management Agency (RMA) share information and encourages correction of errors.
  - Includes Sodsaver provision covering North Dakota, South Dakota, Nebraska, Minnesota, Montana and Iowa that provides for lower yield coverage, lower premium subsidy and prohibition on yield substitution for four years on native sod not previously cropped.
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## **Title XII- Miscellaneous**

- Provides \$50 million for Section 2501 Program for Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and expands programs to include veteran farmers and ranchers.
- Clarifies receipt for service requirements by USDA field offices.
- Reauthorizes the USDA Office of Advocacy and Outreach.
- Establishes a USDA Military Veterans Agricultural Liaison to aid veteran farmers and ranchers.
- Establishes an Office of Tribal Relations to advise the Secretary on policies related to Indian tribes.
- Reauthorizes appropriations for grants to improve supply, stability, safety and training of the agricultural labor force.
- Amends the Noninsured Crop Assistance Program (NAP) to direct the Secretary to provide coverage based on individual yields equivalent to the catastrophic risk protection available or additional coverage available that does not exceed 65 percent. Provides that for limited resource, beginning, and socially disadvantaged producers, the premium for noninsured crop assistance shall be 50 percent of the premium of other producers.
- Includes Sodsaver provision for NAP, covering North Dakota, South Dakota, Nebraska, Minnesota, Montana and Iowa, that provides for lower yield coverage, lower premium subsidy or higher fee for 4 years on native sod not previously cropped.
- Adds bioenergy crops to list of eligible crops for NAP.
- Reauthorizes the National Oilheat Research Alliance through 2018.
- Reauthorizes the Payment in Lieu of Taxes (PILT) program for Fiscal Year 2014.
- Creates authority for a standing Agriculture Committee under the EPA's Science Advisory Board to review EPA regulations and actions that will impact agriculture.
- Clarifies exemption for NPDES permits under the Clean Water Act for forest roads.
- Authorizes \$20 million in appropriated funds for each of Fiscal Years 2014 through 2018 for grants to state and tribal governments and research institutions to promote the domestic maple syrup industry.
- Requires the Secretary of Health and Human Services, when publishing the final rule on Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption, to include analysis of the information used in promulgating the final rule; an analysis on the economic impact of the rule; and a plan to evaluate any impacts and respond to producer concerns.