



# Farm Bill Overview

GOVERNOR'S COUNCIL ON FOOD SECURITY – MARCH 2018

# What is the Farm Bill?

1

Federal legislation that governs agriculture and nutrition policy in America

2

Sets the policies that bring food from our farms and ranches to our stores and homes

3

Farm Bill must be “reauthorized” (renewed by Congress) about every five years, including by September 30, 2018



# Farm Bill Reauthorization Process

1

**Hearings and listening sessions** in Washington, D.C., and across the country for Members of Congress to hear from the public

2

The **House Agriculture Committee** drafts and passes a bill. The bill is considered by the full House, which debates the bill, considers amendments and votes.

3

The **Senate Agriculture Committee** also drafts and passes a bill, which is considered and voted on by the full Senate.

4

A **conference committee** allows the House and Senate to come together on a compromise.

5

**Final bill passed** by House and Senate

6

**Signed into law (or vetoed) by the president**

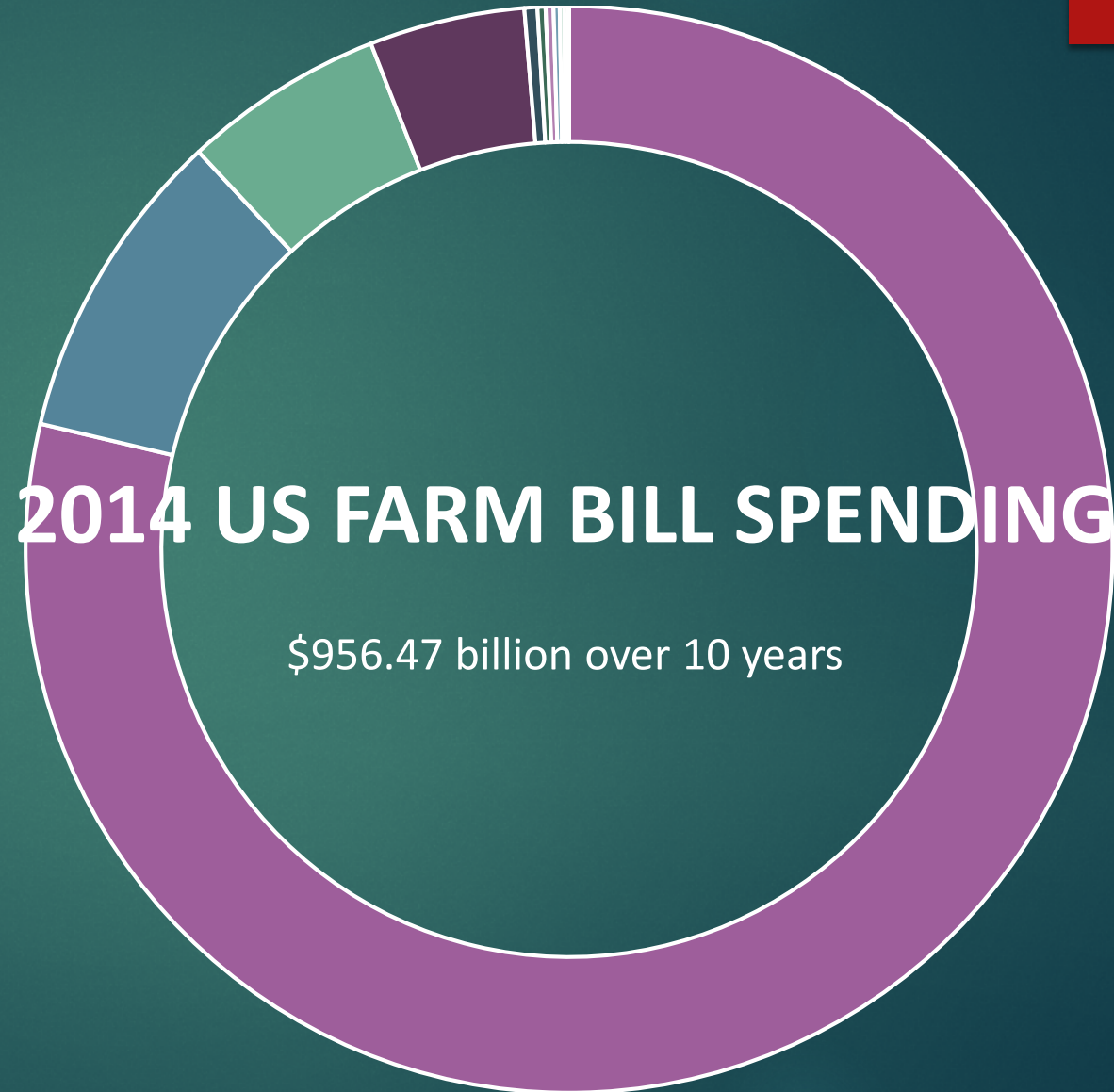
# Farm Bill of many names

- Federal Farm Loan Act (1916), Agricultural Adjustment Act (1933), Agricultural Adjustment Act Amendment of 1935, Soil Conservation and Domestic Allotment Act of 1936, Agricultural Adjustment Act of 1938
- Agricultural Act of 1948, '49, '54, '56, '61
- Food and Agriculture Act of 1965
- Agricultural Act of 1970
- Agriculture and Consumer Protection Act of 1973, Food and Agriculture Act of 1977, Agriculture and Food Act of 1981, Food Security Act of 1985, Food, Agriculture, Conservation, and Trade Act of 1990, Federal Agriculture Improvement and Reform Act of 1996, Farm Security and Rural Investment Act of 2002, Food, Conservation, and Energy Act of 2008, Agricultural Act of 2014



# Nutrition is a major component

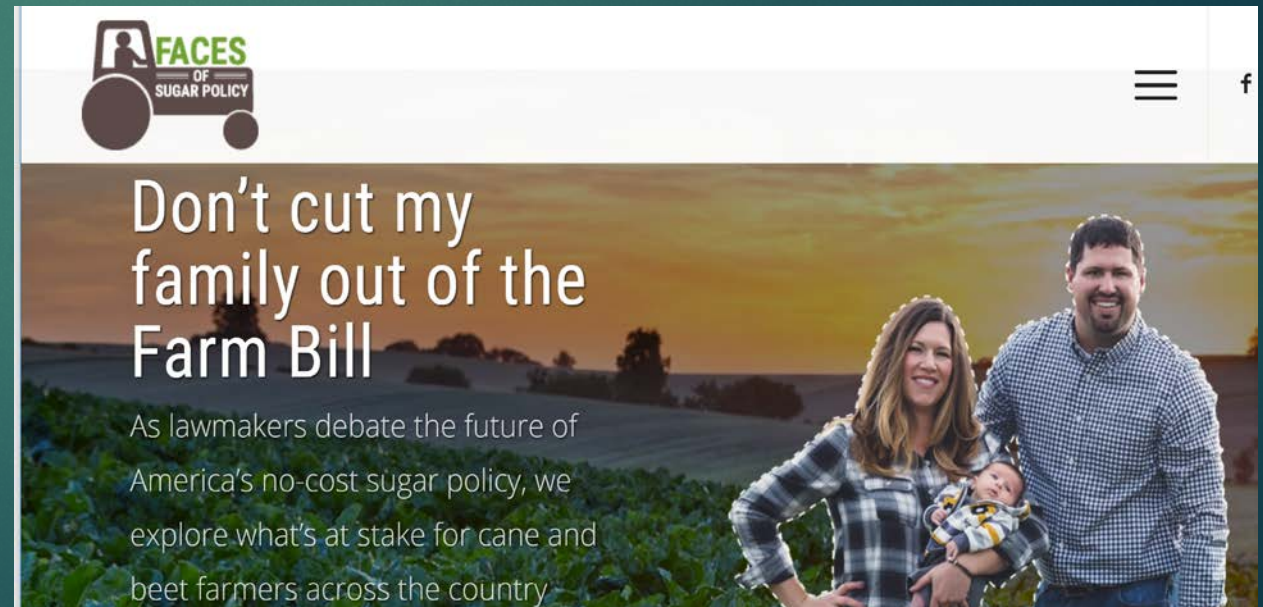
- Nutrition - \$756.43 billion
- Crop Insurance - \$89.83 billion
- Conservation - \$57.60 billion
- Commodity Programs - \$44.46 billion
- Trade - \$3.70 billion
- Misc. - \$2.30 billion
- Credit - \$2.24 billion
- Horticulture - \$1.76 billion
- Research and Extension - \$1.26 billion
- Energy - \$1.12 billion
- Rural Development - \$0.24 billion
- Forestry - \$0.01 billion





# Title I: Commodities

- ▶ Incentivize production of staples – wheat, corn, cotton, sugar, etc.
- ▶ Prior to 1930's – land grants and credit to settlers; land grant research colleges (UNR)
- ▶ Now subsidies; amount reduced; last 10 years is 5% of Farm Bill spending.





# Title II: Conservation

- ▶ **Conservation** – early purpose of original farm bill; incentive for farmers to cut back on acreage
- ▶ From Dust Bowl in 30's came (today's) **Natural Resources Conservation Service** working with local Conservation Districts to help farmers with conservation techniques.
- ▶ **6% of 2014 Farm Bill**, first time in several Farm Bills **spending decreased** on Conservation.
- ▶ Many planning requirements and standards to be met to receive NRCS' financial support but **result is sustainable land and growing practices.**



# Title III: Trade

- ▶ Trade is essential to agriculture, and the export of goods like tobacco and cotton were essential to our nation's beginning.
- ▶ Farm Bill and USDA Foreign Agricultural Service actively promote and negotiate foreign trade agreements for American producers.
- ▶ Farm income has been low for last few years; farmers are concerned about being the target in “wars” over tariffs and trade.
- ▶ Farmers have interests in NAFTA and TPP



# Title IV: Nutrition

- 78% of all mandatory spending in Farm Bill as compared to 53% of 2002 FB and 66% of 2008 FB.
- Individuals qualify for vouchers or cash assistance for qualified food purchases based on income and asset levels.
- FY 2014 – 46.5 million Americans receiving SNAP, averaging \$125 per person per month

# Title V: Credit

- ▶ Farmers - **land rich, cash poor, require credit**
- ▶ Cyclical, seasonal nature of farming makes credit too risky for private commercial lenders
- ▶ **Farm Credit Service** was created in 1916. It was later known as the Farmers Home Administration (FmHA) and was consolidated into one of the functions of **the Farm Service Agency (FSA)**
- ▶ FSA offers direct and guaranteed loans, loans to beginning farmers, women and minority farmers



# Title VI: Rural Development

- ▶ Creates loan, loan guarantee, and grant authority for **rural businesses, electric and telecommunications services, rural water, and sewer infrastructure, rural hospitals and healthcare**, among other programs.
- ▶ All funded by annual appropriations. Mandatory FB funding is **2/10<sup>th</sup> of 1 % of total FB** funding in 2014.
- ▶ Rural lacks economy of scale, justifying subsidy in form of low cost loans and some grants.
- ▶ Third leg of Rural Development stool is **Affordable Housing**, authorized and appropriated through Banking Committees



## Title VIII: Forestry

The 2002 Farm Bill created the first forestry title; USDA has jurisdiction over the U.S. Forest Service. Forestry programs are subject to appropriations.

## Title IX: Energy

Began in 2002 FB; energy title has played a significant role toward the development of advanced biofuels, as well as promoting energy and carbon capture. Today all programs in this title are subject to appropriations.

- Biofuel loan guarantee program, shares the risk in new forms of energy development
- REAP grant of 25% of project cost to incent introduction of renewable energy in rural areas.



## Title X: Horticulture

- Began in 2008 FB; supports specialty crop and organic farming operations with trade promotion and risk management assistance.
- sales of specialty crops account for nearly one-third of U.S. crop cash receipts and one-fifth of U.S. agricultural exports.

## Title XI: Crop Insurance

The Federal Crop Insurance Act permanently authorized Federal crop insurance. But due to its increasing prominence as the primary risk management tool for farmers, crop insurance policy has been amended in both the 2008 and 2014 farm bills. More than 100 crops are insurable under the 2014 Farm Bill with the adoption of two new programs



# Linkages

- ▶ Conservation
- ▶ Small Farms/Local and Regional Foods Movement
- ▶ Specialty Crops, Organic, GMO Free
- ▶ Trade, Tariffs, NAFTA, TPP
- ▶ Rural Development – Business, Energy, Infrastructure, Community Services, Housing



# Information and Advocacy

- ▶ National Agricultural Law Center:  
<http://nationalaglawcenter.org/farmbills/>
- ▶ Farm Policy Facts.org <https://www.farmpolicyfacts.org/>
- ▶ National Sustainable Agriculture Coalition  
<http://sustainableagriculture.net/our-work/campaigns/fbcampaign/>
- ▶ Food Research and Action Center:  
<http://frac.org/action/snap-farm-bill>
- ▶ American Farm Bureau: <https://www.fb.org/>
- ▶ National Farmers Union: <https://nfu.org/>



# The Farm Bill and the Nutrition Title

It's not only SNAP!



# Other Farm Bill strands in the Food Security Safety Net

**Temporary Emergency Food Assistance Program (TEFAP)** – purchases USDA foods and distributes through food banks, pantries. 2015 \$298 M in purchases; \$73 M in administrative funds (food storage and distribution)

**Food Distribution Program on Indian Reservations (FDPIR)** – 2015 provided food for 88,000 individuals living on reservations

**Commodity Supplemental Food Program (CSFP)** – 2015 helped nourish 570,000 low income seniors with USDA foods



# Why SNAP is Important

from Food Resource Action Center

\$126/mo; \$4.18/day, \$1.39/meal

*The Supplemental Nutrition Assistance Program (SNAP) is the nation's first line of defense against hunger. SNAP currently helps put food on the table for more than 41 million low-income participants. It responds to changes in need, whether due to economic downturns or natural disasters.*

## SNAP Strengths

### SNAP DELIVERS ASSISTANCE

quickly and effectively to people recovering from natural disasters or economic crises.



### SNAP REACHES KEY VULNERABLE POPULATIONS

— the large majority are children, seniors, and people with disabilities.

### SNAP REDUCES HUNGER

and food insecurity by providing low-income people necessary food money.



### SNAP IMPROVES DIETARY INTAKE

and health, especially among children and with lasting effects.

### SNAP IS EFFICIENT,

using electronic benefits technology and regular channels of commerce.



### SNAP SUPPORTS WORK,

helping families struggling with low wages.

### SNAP BOLSTERS LOCAL ECONOMIES

by increasing money spent for food at local retailers.



### SNAP LIFTS MILLIONS OF PEOPLE out of poverty.



# SNAP in the current era

- 1) President Trump's budget proposal cuts SNAP by \$140 billion dollars over ten years
- 2) Congressional Budget proposals targets SNAP, and other crucial safety net programs by \$655 billion dollars over ten years
- 3) Recent tax plan anticipates >\$1 trillion dollar budget deficit and predicted proposed response is drastic cuts to the safety net including SNAP and Medicaid



# SNAP in the current era

## America's Harvest Box

Reduces choice – reduces  
Purchasing in local stores

Up to states to determine  
How to pack and distribute  
Boxes ; cost? Fraud?

### Perdue pushes back on Roberts comment on food boxes

ANAHEIM, Calif. – Agriculture Secretary Sonny Perdue pushed back today against a comment by Senate Agriculture Committee Chairman Pat Roberts, R-Kan., that the committee does not plan to make major changes to the Supplemental Nutrition Assistance Program (SNAP) in the next farm bill.

USDA has proposed changing the SNAP program so that participants would get half their benefits in food boxes and 50 percent of their benefits through the current system of electronic benefit transfer cards that are reloaded monthly.



*Agriculture Secretary Sonny Perdue answers questions at a news conference following his speech. (Charles de Bourbon/The Hagstrom Report)*



# The Current Farm Bill Situation

Drafts of bills have not been released in either House of Congress

Senate Ag Committee Chairman Pat Roberts of Kansas stated he wants to mark up the Farm Bill in April and his staff and Sen. Stabenow's staff (ranking minority member) are working on language.

Nothing on Senate Ag Website on current Farm Bill.

House Ag Committee Chair K. Michael Conaway of Texas.

<https://agriculture.house.gov/farmbill/>



# Key Marker Bills

Senate:

S. 1707 - SNAP standard medical expense

S. 1708 - A bill to amend the Food and Nutrition Act of 2008 to provide the certain students who are family caregivers are eligible to participate in SNAP

House:

HR 4521 - SNAP Simplification of the Elderly Act

HR 3749 - SNAP Standard Medical Expense Deduction

HR 1276 - Closing the Meal Gap

HR 3577 - Results through Innovation Act of 2017

HR 952 - Food Donation Act of 2017

HR 3444 - Food Recovery Act of 2017