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**Legislative Bulletin.........................................................................June 20, 2013**

**Contents:**



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# H.R. 1947 – Federal Agriculture Reform and Risk Management Act of 2013 (Lucas, R-OK)

**Order of Business:** The legislation is scheduled to be considered on June 18, 2013, under a rule, H.Res. 266. The rule provides for the consideration of H.R. 1947 and H.R. 1797. After adoption of H.Res. 266, the Speaker may declare the House resolved into the Committee of the Whole House on the state of the Union to consider H.R. 1947. The rule waives all points of order against consideration of the bill, and provides for one hour of debate equally divided and controlled by the chair and ranking minority member of the Agriculture Committee. After general debate, the Committee of the Whole shall ride without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House. The text of H.Res. 266 can be found here. The Rules Committee is meeting today at 2:00pm for amendment consideration.

**Summary:** H.R. 1947 authorizes food, farm, conservation, and other programs through the fiscal year 2014-2018 period. The legislation is divided into 12 titles, and this document is a summary of the legislation on a title-by-title basis.

## Title I – Commodities:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title I to be $58.765 billion over the fiscal year 2014-2023 period. CBO estimates this legislation would result in a decrease of outlays of approximately $18.626 billion over the same period, bringing estimated outlays of this title to $40,139,000,000 over the fiscal year 2014-2023 period.

The legislation repeals the Direct Payments program beginning in crop year 2014, with exceptions for upland cotton which will continue to receive the payments through crop year 2015. The legislation repeals the Counter-Cyclical Payment program beginning in crop year 2014, saving an estimated $1.519 billion over the 2014-2023 period. The legislation repeals the Average Crop Revenue Election program beginning in crop year 2014, saving an estimated $4.719 billion over the 2014-2023 period.

The legislation creates two new programs, the Price Loss Coverage program and the Revenue Loss Coverage program, which are estimated to increase outlays by $23.369 million over the 2014-2023 period. These programs are similar to the Counter-Cyclical Payment program, and the Average Crop Revenue Election program, except they are estimated to spend $17.131 billion more. Farmers may elect to join one program, but not both, and must plant more than 10 acres to qualify for program payments.

**Price Loss Coverage (PLC):** The PLC program operates much like the Counter-Cyclical Payment (CCP) program, but with higher target prices. The program pays farmers if the effective price of the commodity falls below the nationally set target price. The payment is equal to the difference between the effective price and the target price. The payments for this program will begin to be made on October 1, therefore the true cost of the program is felt in the next fiscal year. The Secretary is required to issue an annual report to Congress on the cost of this program, and its impact on planting, production, prices and export of covered commodities.

Some conservatives may be concerned that since this program's fundamental structure provides production incentives for crops, this could make the United States vulnerable to complaints at the World Trade Organization. Additionally, commodity prices are at historic highs, and if prices fall payments under this program could surpass the savings accrued from eliminating the Direct Payment program. CBO estimates the Price Loss Coverage program to result in an increase of outlays of $16.36 billion over the fiscal year 2014-2013 period.

Target Prices for the Price Loss Coverage program are shown below:

| Covered Commodity | Target Price in 2002 Law (P.L. 107-171)[1] | Target Price in Current (2008) Law (P.L. 110-246)[2] | Target Price In H.R. 1947 | Unit of Measurement | Change From Current Law | Target Percentage Increase From Current Law |
|---|---|---|---|---|---|---|
| Wheat | $3.86 | $4.17 | $5.50 | bushel | $1.33 | 31.89% |
| Corn | $2.60 | $2.63 | $3.70 | bushel | $1.07 | 40.68% |
| Grain Sorghum | $2.54 | $2.63 | $3.95 | bushel | $1.32 | 50.19% |
| Barley | $2.21 | $2.63 | $4.95 | bushel | $2.32 | 88.21% |
| Oats | $1.40 | $1.79 | $2.40 | bushel | $0.61 | 34.08% |
| Long Grain Rice | $10.50 | $10.50 | $14.00 | hundred-weight | $3.50 | 33.33% |
| Medium Grain Rice | $10.50 | $10.50 | $14.00 | hundred-weight | $3.50 | 33.33% |
| Japonica Rice | N/A | N/A | $16.10 | hundred-weight | $16.10 | N/A |
| Soybeans | $5.80 | $6.00 | $8.40 | bushel | $2.40 | 40.00% |
| Other Oilseeds | $9.80 | $12.68 | $20.15 | hundred-weight | $7.47 | 58.91% |
| Peanuts | $495.00 | $495.00 | $535.00 | per ton | $40.00 | 8.08% |
| Dry peas | N/A | $8.32 | $11.00 | hundred-weight | $2.68 | 32.21% |
| Lentils | N/A | $12.81 | $19.97 | hundred-weight | $7.16 | 55.89% |
| Small chickpeas | N/A | $10.36 | $19.04 | hundred-weight | $8.68 | 83.78% |
| Large Chickpeas | N/A | $12.81 | $21.54 | hundred-weight | $8.73 | 68.15% |

[1] Sec. 1104. (c)(1), http://www.gpo.gov/fdsys/pkg/PLAW-107publ171/pdf/PLAW-107publ171.pdf
[2] Sec. 1104. (c)(3), http://www.gpo.gov/fdsys/pkg/PLAW-110publ246/pdf/PLAW-110publ246.pdf

**Revenue Loss Coverage:** The Revenue Loss Coverage (RLC) program is a similar to the Average Crop Revenue Election (ACRE) program, and it insures farmers against losses in revenue, regardless of the cause. The program insures against losses greater than 15 percent (but less than 30 percent) based on a rolling average of county revenue over the past five years. The rolling average excludes the highest and lowest years. Unlike other areas of the private sector, under the RLC these losses will not be absorbed through the normal cost of doing business.

The program issues payments when the actual county revenue is less than a set trigger for the crop year. The ACRE program differed in that it was based on state revenue, as opposed to country revenue. Some conservatives have argued that because there can be greater fluctuation in revenue changes at the county level, as opposed to the state level, this program could lead to increased payouts. For example, a hail storm may damage crops in one particular area and could trigger a country-wide payment, whereas these losses may have otherwise been offset at the state-wide level. Like the PLC, payments for this program will begin to be made on October 1, therefore the true cost of the program is felt in the next fiscal year. The Secretary is required to issue an annual report to Congress on the cost of this program, and its impact on planting, production, prices and export of covered commodities. CBO estimates the Revenue Loss Coverage program to result in an increase of outlays of $7.009 billion over the fiscal year 2014-2013 period.

**Marketing Loans:** The legislation authorizes nonrecourse loans for each crop years 2014 – 2018 for the following crops: wheat, corn, grain, sorghum, barley, oats, upland, cotton, extra long staple cotton, long grain rise, medium grain rice, peanuts, soybeans, other oilseeds, graded wool, nongraded wool, mohair, honey, dry peas, lentils, small chickpeas, and large chickpeas. A nonrecourse marketing assistance loan gives a farmer an amount of money (fixed by law) per unit of crops at harvest time, when prices are low. The crops become collateral for the loan.[3]

The legislation requires that farmers receiving a loan comply with certain conservation requirements currently in law. These loans shall be for a term of 9 months, with no extensions. The legislation sets repayment provisions that, according to the Committee, are the same as under current law.

The legislation also authorizes loan deficiency payments to be made to producers that agree to forgo the commodity loan in return for the deficiency payment. According to CRS, a loan deficiency payment (LDP) is a cash payment option that allows farmers to sell in response to market signals without putting their commodity under loan, while receiving the price benefits of the loan program.[4]

**Cotton:** The legislation authorizes the President to carry out an import quota program for upland cotton from August 1, 2014 through July 31, 2019. The legislation also authorizes economic adjustment assistance to users of upland cotton. This subsidy pays $0.03/lb, whereas under current law it is $0.04/lb.[5] This subsidy is available to only domestic users.

The legislation also authorizes a special program to maintain and expand the domestic use of domestically produced extra long staple cotton, as well as increase exports of domestically produced extra long staple cotton and ensure that domestic production remains competitive in world

[3] http://www.fsa.usda.gov/Internet/FSA_File/mal_ldp_2013.pdf
[4] http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL34594&Source=search
[5] http://www.fsa.usda.gov/Internet/FSA_File/upland_cover_letter.pdf

markets. Under this program, payments will be made to certain domestic users and exporters who enter into contracts with the Commodity Credit Corporation. According to the Committee, this is the same authorization as current law.

**Sugar:** The legislation extends the current sugar program through crop year 2018. According to the USDA "the U.S. sugar program uses price supports, domestic marketing allotments, and tariff-rate quotas (TRQs)" to set the amount of sugar available to the U.S. market.

The program also sets the minimum price of sugar and limits the amount of sugar that can be sold each year by domestic processors. Last fiscal year, Americans paid approximately 49.26 cents per pound of refined sugar, while the world price, comprised of countries that are net exporters which often subsidize their producers, was approximately 27.75 cents per pound. A brief summary of the USDA sugar program is below. For much more information, please refer to this recent CRS report.

Non-recourse loans: The USDA sugar program makes loans to sugar producers and purchases sugar when the price dips below a certain threshold. These nonrecourse loans provide financing until a sugar cane mill or beet sugar refiner sells the sugar. The loans are considered to be "non-recourse" because the processor can choose to forfeit sugar offered as collateral, if the market price is below the effective support level at the time the loan is due. The effective support level for raw cane sugar is 20.94¢/lb. The effective support level for refined beet sugar ranges from 24.0¢ to 26.2¢/lb., depending on the region.

Marketing allotments: These allotments set the amount of domestically produced sugar that can be sold each year. The USDA annually sets the overall allotment quantity (OAQ) at a minimum of 85 percent of estimated domestic human consumption of sugar for food. From FY2009-2012, domestic sugar production supplied nearly 73 percent of total domestic sugar for food use. This is because demand has increased but adverse weather conditions have decreased domestic output.

Tariff-rate quotas: From FY2009-2012, the U.S. imported approximately 28 percent of all sugar that was used for food and beverage consumption. A provision within the 2008 Farm Bill directed the USDA to manage supply so that market prices do not fall below effective threshold levels. Commitments with the World Trade Organization (WTO) require that the U.S. allow at least 1.256 million tons of imported sugar into the market annually. However, as a result of the North American Free Trade Agreement (NAFTA), Mexico is allowed to export any amount of sugar to the U.S. market. USDA sets the WTO quota for sugar at the minimum level annually. USDA will adjust the quota by April 1 in any year if there is a sugar shortage.

The USDA also operates the Feedstock Flexibility Program in conjunction with the sugar program. That program is discussed in title IX.

**Dairy:** The legislation repeals the Dairy Product Price Support program, the Milk Income Loss Contract Program, the Dairy Export Incentive Program, and the Federal Milk Marketing Order Review Commission. The legislation creates two new programs, the Dairy Producer Margin Protection Program and the Dairy Market Stabilization Program.

**Dairy Producer Margin Protection Program:** This is a new income support program based on the margin (or monthly difference) between the national average all-milk price[6] and a formula-derived estimate of feed costs. The program is voluntary, however once enrolled the producers is mandated to abide by the rules of the Dairy Market Stabilization Program (described below).

The program will also pay participating producers supplemental margin protection payments if they are purchased by the producer.

There is no production or dollar limitation with this program. These payments would only be limited by the amount of the producer's historical and/or current milk production that is covered.[7] The fee to sign up for this program is based on the pounds of milk (in millions) marketed by the producers in the previous calendar year, as follows:

| Pounds Marketed (in millions) | Administrative Fee |
|---|---|
| less than 1 | $100 |
| 1 to 10 | $250 |
| more than 10 to 40 | $500 |
| more than 40 | $1,000 |

The Secretary shall determine the basic production history of each participating dairy operation. The production history of a dairy producer is equal to the highest annual milk marketings of the dairy producer during any one of the preceding three calendar years since the dairy producer joined the program. The Secretary will calculate the national average feed cost for each month. The Secretary will also calculate the actual dairy producer margin for each consecutive two-month period by subtracting the average feed cost for that two-month period from the all-milk price for that same two-month period. The formula is below:

Margin per cwt. = (All-Milk Price per cwt.) – (Feed Cost per cwt.)

Basic Margin Protection: This portion of the program is fully subsidized and only subject to the annual fee (described above). Participating dairy producers are eligible to receive a basic margin protection payment whenever the average actual dairy producer margin for a consecutive two-month period is less than $4.00 per hundredweight of milk. The payment is equal to the difference between the average actual diary producer margin and $4.00. If that difference is more than $4.00, the Secretary shall pay $4.00.

Supplemental Margin Protection: Producers participating receiving Basic Margin Protection can then elect to receive Supplemental Margin Protection (SMP). This portion of the program is partially subsidized by the taxpayer, and the participating producer must pay an annual premium to participate in the program.

This program is geared to protect a higher level of income than that guaranteed by basic margin protection. A dairy producer must select a coverage level that is higher, in any increment of $0.50,

[6] The "all-milk price" is the average price received, per hundredweight of milk, by dairy producers for all milk sold to plants and dealers in the U.S.

[7] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42736&Source=search#_Toc345944268

than the basic margin protection, but less than $8.00. The producer must then select the level of coverage (between 25 percent and 90 percent) of their annual production history that they would like to insure.

When the operating margin falls below the selected SMP margin, for a consecutive two-month period, the producer will receive a payment.

The annual premium will be the calculated by multiplying the coverage percentage level, by the annual production history, by the premium per hundredweight of milk (as specified below). The premium per hundredweight corresponding to each coverage level shall be as follows:

| For production up to 4 million pounds: | | | For production above 4 million pounds: | |
|---|---|---|---|---|
| Coverage Level | Premium per Cwt | | Coverage Level | Premium per Cwt |
| $4.50 | $0.010 | | $4.50 | $0.015 |
| $5.00 | $0.025 | | $5.00 | $0.036 |
| $5.50 | $0.040 | | $5.50 | $0.081 |
| $6.00 | $0.065 | | $6.00 | $0.155 |
| $6.50 | $0.090 | | $6.50 | $0.230 |
| $7.00 | $0.434 | | $7.00 | $0.434 |
| $7.50 | $0.590 | | $7.50 | $0.590 |
| $8.00 | $0.922 | | $8.00 | $0.922 |

**Dairy Market Stabilization Program:** Participation in this supply-management program is mandatory if the producer is enrolled in the Dairy Producer Margin Protection Program (DPMPP). When payments for the DPMPP are in effect, those payments will be reduced if the producer's actual milk marketings exceed their base marketings. The reduction in payments is directly correlated to increased production, hence it disincentives producers to produce, therefore artificially altering supply in the market, this is why the program is commonly referred to as "supply management."

This new program would reduce payments, under certain conditions, to participating dairy producers for their milk marketings when the margin falls below proposed thresholds. This program is meant to influence supply "when dairy producers are experiencing low or negative operating margins." This arguably will result in higher operating margins for producers and higher prices for consumers.

Participating dairy producers may select either of the following methods for calculation of the stabilization program base:

- The volume of the average monthly milk marketings of the dairy producer for the three months immediately preceding the announcement by the Secretary that the stabilization program will become effective; or
- The volume of the monthly milk marketings of the dairy producer for the same month in the preceding year as the month for which the Secretary has announced the stabilization program will become effective.

The stabilization program comes into effect and offers reduced payments for any participating dairy producer that exceeds their applicable percentage of the producer's stabilization program whenever:

- Their actual producer margin has been $6.00 or less per hundredweight of milk for each of the immediately preceding two months; or
- The actual dairy producer margin has been $4.00 or less per hundredweight of milk for the immediately preceding month.

Payments to the producer are reduced based on the margin:

- When the margin is below $6, payment is withheld for either 2 percent of the stabilization base (mentioned above), or 6 percent of the actual month's milk sold, whichever is larger.
- When the margin is below $5, payment is withheld for either 3 percent of the stabilization base, or 7 percent of the actual month's milk sold, whichever is larger.
- When the margin is below$4, payment is withheld for either 4 percent of the stabilization base, or 8 percent of the actual month's milk sold, whichever is larger.

Payment is withheld from the handler[8] at the largest level as long as the program is in effect. The unpaid funds are turned over to USDA, who has 3 months to use it to purchase dairy products for food banks, and to expand consumption and build demand for dairy products.

**Commodity Credit Corporation:** The Commodity Credit Corporation is run under the Farm Service Agency, and anchors prices of commodities by offering non-recourse loans. These loans let farmers acquire money in advance at harvest time, using their crops as collateral; then they have the opportunity to either repay the loan by selling the crop later at a higher price, or to repay the loan by giving the collateral directly to the government.[9]

**Dairy Forward Pricing Program:** The legislation extends the Dairy Forward Pricing Program through 2021. The program allows farmers to enter into forward contracts on milk (agree on the sale price of their milk in advance of the date of the sale). The program allows regulated handlers to pay farmers the amount of the forward contract instead of the minimum federal order blend price for pooled milk.[10]

**Dairy Indemnity Program:** The legislation extends the Dairy Indemnity Program through 2018. The Dairy Indemnity Program pays compensation to dairy producers whose raw milk is removed from the market by regulatory agencies due to toxic contamination, provided that the producer was not at fault for the contamination.[11]

**Dairy Promotion and Research Program:** The legislation extends the Dairy Promotion and Research Program through 2018. The Dairy Promotion and Research Programs are funded by a 15

[8] The handler is the initial individual or entity making payment to a dairy producer for milk produced in the United States and marketed for commercial use (ie the dairy processor).
[9] https://www.fsa.usda.gov/FSA/webapp?area=about&subject=landing&topic=sao-cc
[10] http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateL&navID=dyforwardpricingpgmDairyPublications&rightNav1=dyforwardpricingpgmDairyPublications&topNav=&leftNav=&page=DairyForwardPricingProgram&resultType=&acct=dgeninfo
[11] http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20100902_insup_en_dairy10.html

cent per hundredweight fee on all milk produced in the United States. The programs fund research on dairy products and efforts to expand milk consumption through marketing and nutrition education.[12]

**Supplemental Agricultural Disaster Assistance Programs:** The legislation enacts the below disaster assistance programs. These programs were included in the 2008 Farm Bill (P.L. 110-246) but were allowed to expire the before the remainder of the other titles. Some Members may note that the legislation authorizes payments to be issued retroactively for fiscal years 2012 and 2013.

**Livestock Indemnity Payments:** The legislation authorizes these payments at such sums as are necessary from the Commodity Credit Corporation to certain livestock producers for fiscal years **2012** through 2018 **[Emphasis Added]**. The payment rate shall be 75 percent of the market value of the applicable livestock on the day before the date of death.

**Livestock Forage Disaster Program:** The legislation authorizes at such sums as are necessary from the Commodity Credit Corporation as payments to eligible livestock producers due to grazing losses from a drought or file. This program is also authorized for fiscal years **2012** through 2018 **[Emphasis Added]**. This assistance shall be in the form of a payment that is equal to 60 percent of the lesser of the following:

- the monthly feed cost for the covered livestock, or
- The monthly feed cost calculated by using the normal carrying capacity of the eligible grazing land of the eligible livestock producer.

**Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish:** The legislation authorizes $20,000,000 for each fiscal year **2012** through 2018, from funding to the Commodity Credit Corporation **[Emphasis Added]**. This program provides assistance to producers of livestock, honey bees, and farm-raised fish to aid in the reduction to losses due to disease (including cattle tick fever), adverse weather, and wildfires.

**Tree Assistance Program:** This program is available to eligible orchardists and nursery tree growers that experienced losses due to disease, insect infestation, drought, fire, freeze, flood, and other occurrences. This legislation authorizes such sums as are necessary, from the Commodity Credit Corporation, to provide orchardists and nursery tree growers:

- A reimbursement of 65 percent of the cost of replanting trees, in excess of 15 percent mortality; or
- A reimbursement of 50 percent of the cost of pruning, removal, and other costs incurred in order to salvage the existing trees, bushes, or vines, in excess of 15 percent damage or mortality.

The total amount of acreage for tree or tree seedlings for which a person or legal entity may receive payments under this program are capped at 500 acres. Additionally, the legislation includes a cap of $125,000 for any individual or legal entity.

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[12] http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&navID=IndustryMarketingandPromotion&leftNav=IndustryMarketingandPromotion&page=DairyProducerCheckoffPrograms&description=Dairy+Producer+Checkoff+Programs

**Geographically Disadvantaged Farmers and Ranchers Program:** The legislation continues the program through 2018 in the same manner as current law. The Geographically Disadvantaged Farmers and Ranchers program gives funding to farmers in Alaska and Hawaii in order to compensate for high transportation costs and other difficulties those farms have in remaining competitive.[13]

## Title II – Conservation:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title II to be $61.567 billion over the fiscal year 2014-2023 period. CBO estimates this legislation would result in a decrease of outlays of approximately $4.827 billion over the same period, bringing estimated outlays of this title to $56.740 billion over the fiscal year 2014-2023 period.

**Conservation Reserve Program:** The legislation extends the program through fiscal year 2018. This program provides payments to farmers to take erodible or environmentally sensitive cropland out of production for 10 years or more, essentially paying farmers not to farm their land. The 2008 Farm Bill authorized up to 32,000,000 acres to be enrolled in the program.[14] The RSC Budget for FY2014 proposed eliminating this program and saving $5,600,000,000 over ten years.[15] The legislation places the following caps to the amount of acreage that may be enrolled in the program:

| Fiscal Year | Acreage (in millions) |
|---|---|
| 2014 | 27.50 |
| 2015 | 26.00 |
| 2016 | 25.00 |
| 2017 | 24.00 |
| 2018 | 24.00 |

**Farmable Wetland Program:** The legislation extends this program through fiscal year 2018, and decreases the enrolled acreage cap from 1,000,000 to 750,000 acres. The program encourages farmers to restore previously farmed wetlands and wetland buffer to improve vegetation and water flow.[16]

**Conservation Stewardship Program:** The legislation authorizes the program through fiscal year 2018. The program encourages agricultural producers to adopt more environmentally sustainable practices on their working land. Producers enter into contacts for five-years with one option to renew. The legislation authorizes the Secretary to enroll an additional 8,695,000 acres, and manage the program so that the national average pay rate of $18 per acre. The program subsidizes agricultural producers to use conservation techniques that many have already adopted. Agricultural producers already have an existing incentive to conserve their resources and practice sustainable farming. Therefore, paying agricultural producers to use techniques they have already adopted does

[13] http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=ner&newstype=newsrel&type=detail&item=nr_20100616_rel_0324.html
[14] http://www.crs.gov/pages/pdfloader.ashx?prod_code=R42783
[15] http://rsc.scalise.house.gov/uploadedfiles/back_to_basics-rsc_fy2014_budget.pdf
[16] http://www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=fwp

not enhance conservation efforts. The RSC's budget for FY 2014 prohibited new enrollment in this program, which would have saved approximately $10.5 billion over ten years.[17]

**Environmental Quality Incentives Program:** The legislation extends the program though fiscal year 2018, and specifies that contracts shall not exceed 10 years. The legislation allocates at least 60 percent of authorized funding for livestock production, and 5 percent for the benefit of wildlife habitats. The legislation includes a payment cap for individuals and legal entities of $450,000. The program gives financial aid and technical assistance to farmers who implement certain soil and water conservation practices. Farmers can submit a plan that describes their conservation effort using USDA-approved practices, and be reimbursed for up to 75 percent of planning and labor costs, and up to 100 percent of estimated income forgone to implement conservation practices.[18] The legislation authorizes $1.750 billion for each fiscal year 2014 - 2018.

**Conservation Easement Program:** The legislation establishes this new program that is tasked with coordinating between the Wetlands Reserve Program, the Grassland Reserve Program, and the Farmland Protection Program, which are repealed. The program pays government agencies, and other organizations, for purchasing land easements that are conveyed for the purpose of protecting natural resources. The program provides a cost share incentive of 50 percent of the purchase price (75 percent for grassland of special environmental significance). The legislation authorizes the following amounts for the program:

| Fiscal Year: | Amount Available: |
|---|---|
| 2014 | $425,000,000 |
| 2015 | $450,000,000 |
| 2016 | $475,000,000 |
| 2017 | $500,000,000 |
| 2018 | $200,000,000 |

**Regional Conservation Partnership Program:** The legislation establishes this new program that combines the program purposes of the Agricultural Water Enhancement Program, the Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiatives (CCPI) Program, and the Great Lakes Basin Program. The programs are later repealed. The Secretary is allowed to enter into partnership agreements (up to 5 years with one 12-month extension) with eligible partners to implement projects that enhance conservation activities on eligible land. The legislation authorizes $100,000,000, for each fiscal year 2014 through 2018, from the Commodity Credit Corporation, to carry out this new program.

**Conservation of Private Grazing Land:** The legislation extends the program though fiscal year 2018. The Conservation of Private Grazing Land program gives technical assistance to owners and managers of private grazing land on maintaining the environment, "encouraging the use of sustainable grazing systems," and for "maintaining and improving the aesthetic character of private grazing land." This program is currently authorized at $60 million per fiscal year.

[17] http://rsc.scalise.house.gov/uploadedfiles/back_to_basics-rsc_fy2014_budget.pdf
[18] http://crs.gov/pages/pdfloader.ashx?prod_code=R40197

**Grassroots Source Water Protection Program:** The legislation extends the program though fiscal year 2018, and authorizes $20,000,000 for each fiscal year 2008 through 2018. The legislation also makes available $5,000,000 from the Commodity Credit Corporation. The Source Water Protection Program provides assistance to rural communities in preventing pollution of drinking water and improving its quality. It sends water technicians, hired by the USDA, to work with communities on their water treatment.

**Voluntary Public Access and Habitat Incentive Program:** The legislation extends the program though fiscal year 2018, and authorizes $30,000,000 for each fiscal year 2014 through 2018. The Voluntary Public Access and Habitat Incentive Program gives grants to farmers, ranchers, or forest land owners who make their land accessible for wildlife-dependent recreation, or forest land. The program is administered by the FSA. This program received $0 appropriations for FY 2013 or FY 2012.[19]

**Agriculture Conservation Experienced Services Program:** This program allows non-USDA or state agriculture employees to provide the technical assistance for other USDA programs. Oddly, only individuals age 55 and older are eligible to be hired under the program. Approximately $7.6 million was allocated for the program in 2009.[20] The legislation authorizes additional funding for the program.

**Small Watershed Rehabilitation Program:** The legislation extends the program though fiscal year 2018, and authorizes $250,000,000 to remain available until expended. The Watershed Rehabilitation Program provides funding and assistance to dam projects constructed over the Watershed and Flood Prevention Operations program. This program received $15,000,000 in discretionary funding and $0 in mandatory funding for FY 2012 and FY 2013.[21]

**Agricultural Management Assistance Program:** The legislation authorizes $10,000,000 for each fiscal year for the program. The Agricultural Management Assistance (AMA) program is available in 16 states and provides funding to farmers to assist with various expenses, including water management, pest control, organic farming.[22]

Emergency Forestry Conservation Reserve Program: The legislation repeals the program.
Wildlife Habitat Incentive Program: The legislation repeals the program.
Environmental Easement Program: The legislation repeals the program.

## Title III – Trade:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title III to be $3.435 billion over the fiscal year 2014-2023 period. CBO estimates this legislation would result in an increase of outlays of approximately $150 million over the same period, bringing estimated outlays of this title to $3.585 billion over the fiscal year 2014-2023 period.

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[19] http://crs.gov/pages/Reports.aspx?PRODCODE=R40763&Source=search#_Toc347922831
[20] http://crs.gov/pages/Reports.aspx?PRODCODE=RL34069&Source=search#_Toc282421983
[21] http://crs.gov/pages/Reports.aspx?PRODCODE=R40763&Source=search#_Toc347922833
[22] http://crs.gov/pages/Reports.aspx?PRODCODE=R40763&Source=search#_Toc347922814

**Food for Peace Act:** The Food for Peace Act is a collection of policies designed to conditionally sell or give US-produced food to developing countries. It is the main legislative vehicle that authorizes foreign food assistance. Spending for these programs has average around $2.2 billion annually. Title I of the Food for Peace Act gives sales on credit of American food to foreign countries at subsidized interest rates. Title II, the largest piece of the budget, provides free donations of American food to countries that might need it for emergency or non-emergency purposes. Title III also gives food away, but recipient governments may sell that food in order to support their own government programs that promote economic development. Title IV clarifies that aid cannot be given to human rights violators, except in emergency situations, and that no aid can be given to military forces. Title V provides for farmer-to-farmer technical assistance, where American experts offer advice to farmers in developing countries.[23]

The legislation reauthorizes the Act through fiscal year 2018, but reduces the authorization amount from $2.5 billion to $2 billion for each fiscal year.

**Export Credit Guarantee Program:** The legislation authorizes funding for the program through fiscal year 2018. The Export Credit Guarantee Program backs loans to foreign buyers of US agricultural products. The loans are made by U.S. financial institutions at market rates, however the risk is borne by the U.S. taxpayer, and the financial institution receives the risk premium.[24]

**Market Access Program:** This is intended to promote overseas marketing of U.S. agricultural products. MAP funds consumer promotions, market research, trade shows, advertising campaigns, and other programs designed to subsidize the sale of brand-name products in foreign markets by private cooperatives, trade associations, and businesses. The National Commission on Fiscal Responsibility and Reform targeted this program as one in need of change. The RSC FY 2014 budget also proposed eliminating this program and saving $2,000,000,000 over ten years. [25]

**Foreign Market Development Cooperator Program:** The legislation authorizes funding for the program though fiscal year 2018. The program provides funding for promotional activities for American agricultural products in foreign markets to increase demand.[26] The RSC Budget for FY 2014 proposed eliminating this program and saving $350,000,000 over ten years.[27]

**The Food for Progress Act:** The legislation authorizes the program through fiscal year 2018, and repeals a completed project in the Republic of Malawi. This program donates American agricultural products to foreign countries such that those commodities can be sold and the proceeds can be used to support agricultural development activities that will expand free enterprise.[28]

**The Bill Emerson Humanitarian Trust:** The legislation authorizes the program though fiscal year 2018. This is a food reserve that can be used for emergency humanitarian aid in poor countries. It used to actually hold the food, but was amended in 2008 so that the fund can exchange the food for cash and invest in low-risk securities, and then purchase food again once it is needed.

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[23] http://crs.gov/pages/Reports.aspx?PRODCODE=R41072&Source=search
[24] http://crs.gov/pages/Reports.aspx?PRODCODE=R41202&Source=search#_Toc260315802
[25] http://rsc.scalise.house.gov/uploadedfiles/back_to_basics-rsc_fy2014_budget.pdf
[26] http://crs.gov/Pages/pdfloader.ashx?prod_code=RL31581&Source=search
[27] http://rsc.scalise.house.gov/uploadedfiles/back_to_basics-rsc_fy2014_budget.pdf
[28] http://crs.gov/pages/Reports.aspx?PRODCODE=R41072&Source=search#_Toc356917484

**Emerging Markets Program:** The legislation authorizes the program though fiscal year 2018. The program provides technical assistance as well as credit or credit guarantees to domestic prganizations for the purpose of developing the export of agricultural products to emerging foreign markets. This program is authorized for $10,000,000 annually.[29]

**McGovern-Dole International Food for Education and Child Nutrition Program:** The legislation authorizes the program though fiscal year 2018. The program provides a combination of food assistance and financial and technical assistance to foreign countries to improve child nutrition. Like with many other programs, some food can be sold locally to fund operations.[30]

**Technical Assistance for Specialty Crops:** The legislation authorizes the program though fiscal year 2018 at $9,000,000 per fiscal year 2011 through 2018. The program provides funding for projects that address sanitary (animal) and phytosanitary (plant) barriers to U.S. specialty crop exports. Eligible projects include seminars and workshops, study tours, field surveys, pest and disease research, and pre-clearance programs.[31] This program was authorized at $9,000,000 for fiscal years 2011 and 2012. [32]

**Global Crop Diversity Trust:** The legislation authorizes the program at $60,000,000 for fiscal years 2008 through 2013, and $50,000,000 for fiscal years 2014 through 2018. This is a United Nations operation to which the U.S. contributes. U.S. contributions are limited to a maximum of 25 percent of the total budget for the project, and no more than $60 million over the five years starting with the 2008 farm bill. The trust is used to fund the International Treaty on Plant Genetic Resources for Food and Agriculture, which does plant-related research.[33]

**Undersecretary of Agriculture for Foreign Agricultural Services:** The legislation creates a new post within the USDA. The Undersecretary will be subject to Senate confirmation.

## Title IV – Nutrition:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title IV to be $764,432,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in a decrease of outlays of approximately $20,509,000,000 over the same period, bringing estimated outlays of this title to $743,923,000,000 over the fiscal year 2014-2023 period.

CBO estimates the legislation would authorize $940,000,000,000 in direct spending over the 2014-2023 period. CBO also estimates the legislation would authorize $33,400,000,000 in discretionary spending over the 2014-2023 period.

Spending under this title encompasses 79.18 percent of direct spending that could result from the legislation. When the 2008 farm bill was enacted, the nutrition title was approximately 67 percent of the 10-year total ($406 billion out of a $604 billion 10-year projected total).[34]

[29] Sec. 1542. (d)(1)(H)
[30] http://crs.gov/pages/Reports.aspx?PRODCODE=R41072&Source=search#_Toc356917485
[31] http://crs.gov/pages/Reports.aspx?PRODCODE=RL34468&Source=search
[32] http://crs.gov/pages/Reports.aspx?PRODCODE=R42771&Source=search#_Toc337133108
[33] http://crs.gov/pages/Reports.aspx?PRODCODE=RS22905&Source=search#_Toc346817049
[34] http://www.fas.org/sgp/crs/misc/R42484.pdf

**Supplemental Nutrition Assistance Program:** The legislation extends the authorization for appropriations through fiscal year 2018. The legislation further restricts the use of benefits to prevent the payment for substantial bottle deposits that can be returned for a cash refund. The legislation also requires that participating retailers pay all of the costs associated with electronic benefit transfer (EBT) point-of-sale equipment and supplies.

The legislation restricts categorical eligibility for SNAP to only "households in which each member receives cash assistance," and to those individuals who receive "cash assistance under a state program." Current policy allows states to provide broad-based categorical eligibility for food stamps to any person or household that receives cash aid or any other service funded by TANF (non-cash aid). CBO estimates this provision will reduce direct spending by $5,635,000,000 over the 2014-2018 period.

The legislation directs the Secretary to issue rules to ensure that medical marijuana is not treated as a medical expense for purposes of income deductions.

In order to receive the SNAP Standard Utility Allowance (SUA) deduction when calculating SNAP benefits, the legislation requires a household to receive a Low Income Heating and Energy Assistance Program (LIHEAP) payment of $20 or more annually. However, the legislation gives states the option to delay implementing this requirement for up to 180 days. CBO estimates this provision will decrease outlays by $8.690 billion over the 2014-2023 period.

State SNAP Employment and Training programs are limited to providing assistance to college students that area enrolled in specific career and technical education courses or basic adult education, literacy, or English as a second language courses.

Households will lose SNAP eligibility if a member receives substantial lottery or gambling winnings, which will be defined by the Secretary. Additionally, the legislation allows states to request an explanation from individuals who repeatedly lose their EBT cards. The legislation contains protections for homeless persons, persons with disabilities, victims of crimes, etc.

The Secretary is required to implement a pilot project to test the feasibility and implications of accepting benefits of mobile transactions. The Secretary is required to complete this pilot program by July 1, 2016, and report to Congress.

The legislation prohibits the USDA from recruitment activities via television, radio, or billboard advertisements, and it prohibits the USDA from entering into any agreements with foreign governments to encourage SNAP enrollment. Additionally, an amendment was added during the Committee markup that prohibits entities that receive funds under the legislation to compensate any person for conducting outreach activities relating to participation in the program.

The legislation eliminates the performance bonus program that provides bonuses to states for administering the program. Current law allows $48,000,000 in bonuses, each fiscal year, for state agencies that meet standards for "high or most improved performance." The legislation also reduces funding for employments and training programs from $90,000,000 to $79,000,000 for each fiscal year. Additionally, the legislation amends the block grant program to Puerto Rico to prohibit cash benefits from being given.

The legislation directs the Secretary of Agriculture to monitor employment and training programs at the state level. The legislation directs the Secretary to develop reporting measures that identify improvements in the programs, and the legislation contains reporting requirements for the states.

**Community Food Projects:** The legislation extends the program's authorization through fiscal year 2018. The legislation doubles funding for these programs from $5,000,000 to $10,000,000 annually. The 1996 farm bill created this program, which offers a 50 percent match on local efforts to improve food, farm, or nutrition issues and provide incentives for low-income individuals to consume fruits and vegetables.[35]

**Emergency Food Assistance:** The legislation extends the program's authorization through fiscal year 2018. The legislation authorizes $265,750,000 for fiscal year 2013, even though the amendments made by the legislation are to take affect after fiscal year 2013. This program was funded at $140,000,000 per fiscal year in the 2002 farm bill, and was funded at $308,000,000 for fiscal year 2012.[36] This program was designed in 1981-1982 as a "temporary" program to dispose of government-held stocks of commodities. In 1998 the Administration indicated plans to dissolve the program but Congress mandated funding to buy new commodities for the program. The food and monetary support is provided to states, which chose local agencies to administer the food distribution to the needy.[37]

**SNAP Nutrition Education Program:** The legislation adds "physical activity" as an allowable activity under the SNAP nutrition education program. The legislation decreases the authorization level to $375,000,000 for each fiscal year. This program was last authorized at this amount for fiscal year 2011. The legislation keeps this level of funding for subsequent fiscal years, but allows for adjustments to reflect the Consumer Price Index.

**Retailer Trafficking:** The legislation authorizes $5,000,000 each fiscal year for the USDA to prevent trafficking in violation with the SNAP program.

**Pilot Program for the Northern Mariana Islands:** The legislation establishes a study that would then launch a SNAP pilot program for the Commonwealth of Northern Mariana Islands (CNMI). The pilot program would test the feasibility of extending the SNAP program to the CNMI. The legislation authorizes $1,000,000 for both fiscal year 2014 and 2015. The legislation authorizes $13,500,000 for fiscal year 2016, and $8,500,000 for each fiscal year 2017 and 2018.

Of U.S. territories, Guam and the U.S. Virgin Islands currently participate in the SNAP program.[38] In lieu of the SNAP program, the Commonwealth of Puerto Rico, American Samoa, and the CNMI receive Nutrition Assistance Block Grants.[39] The CNMI received $13,100,000 for this grant during fiscal year 2012. The CNMI has a per capita GDP of $13,600 (2010 est.)[40] compared with $49,800

[35] http://crs.gov/pages/Reports.aspx?PRODCODE=RL33829&Source=search#_Toc322092990
[36] http://crs.gov/pages/Reports.aspx?PRODCODE=R42353&Source=search#_Toc345073637
[37] http://crs.gov/pages/Reports.aspx?PRODCODE=RL33829&Source=search#_Toc322092986
[38] http://www.fns.usda.gov/pd/29snapcurrpp.htm
[39] http://www.fns.usda.gov/sites/default/files/NABGP_Quick_Facts.pdf
[40] https://www.cia.gov/library/publications/the-world-factbook/geos/cq.html

of the overall United States.[41] Additionally, the minimum wage in CNMI is $5.55 per hour[42] as compared with the federal minimum wage of $7.25 per hour that does not apply to the CNMI.

**Commodity Distribution Program:** The legislation extends the program though fiscal year 2018. USDA Commodity foods are purchased by the USDA for distribution to their various nutrition programs. Those programs include the Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP), National School Lunch Program (NSLP), Summer Food Service Program (SFSP), and Child and Adult Care Food Program (CACFP).[43]

**Seniors Farmers' Market Nutrition Program:** The legislation extends the program though fiscal year 2018, but strikes "Senior's" from the program's name. The program is expanded beyond seniors and is open to low-income families who are at "nutritional risk." The legislation authorizes $20,600,000 for each fiscal year for the program, this is consistent with current funding levels.[44] This program gives vouchers to seniors to use in farmer's markets and other places that sell fresh produce.

**Fresh Fruit and Vegetable Program:** The legislation extends the program but strikes all references to "fresh," thereby making the program open to include canned, frozen and dried foods. This program gives grants to schools to purchase fresh produce for school lunches in poorer districts.[45] The 2008 Farm Bill added the stipulation that food under this program be "fresh." According to CRS, companies that produce frozen, canned, and dried fruits and vegetables have been advocating for a change to this fresh limitation.

**Review of White Potatoes:** An amendment was added during the Committee markup by Rep. Ribble (R-WI) that requires the Secretary to conduct a review of the economic and public health benefits of white potatoes on low-income families who are determined to be at nutritional risk.

**Pilot Projects to Improve Federal-State Cooperation at Identifying and Reducing Fraud in SNAP:** An amendment was added during the Committee markup by Rep. Benishek (R-MI) that directs the Secretary to carry out pilot programs to test innovative federal-state partnerships to identify, investigate, and reduce retailed fraud in the SNAP program.

**Healthy Food Financing Initiative:** An amendment was added during the Committee markup that authorizes this new initiative. The legislation authorizes $125,000,000 to remain available until expended. This initiative seeks to "improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities by providing loans and grants." This amendment was sponsored by Rep. Fudge (D-OH).

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[41] https://www.cia.gov/library/publications/the-world-factbook/geos/us.html
[42] http://www.dol.gov/whd/regs/compliance/posters/cnmi.pdf
[43] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42829&Source=search
[44] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42829&Source=search
[45] http://crs.gov/pages/Reports.aspx?PRODCODE=R42353&Source=search#_Toc345073637

## Title V – Credit

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title V to be -$2,240,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in no change to outlays over the same period.

**Farm Ownership Loans:** The legislation expands loan eligibility to include "other legal entities" to the list of persons eligible for real estate loans. The legislation also eliminates the requirement that property have a mineral rights appraisal for real estate loans. A farmer is eligible for direct loans from the Farm Service Agency for up to 10 years after the first loan is made, up to a maximum indebtedness of $300,000. The program seeks to move the farmer to commercial credit markets before those 10 years have expired.[46] The ultimate risk of these loans is borne by the U.S. taxpayer.

**Conservation Loan and Loan Guarantee Program:** The legislation extends the program through fiscal year 2018, and expands loan eligibility to include "other legal entities" to the list of persons eligible for loans. The legislation increases the loan guarantee from 75 percent to 90% percent, therefore increasing the liability that is borne by the taxpayer. The purpose of these loans is to complete a conservation activity outlined in a conservation plan or Forestry Management Plan.[47] The ultimate risk of these loans is borne by the U.S. taxpayer.

**Down Payment Loan Program:** The legislation increases the loan amount from 45 percent of $500,000 to 45 percent of $667,000, thereby increasing the liability that is borne by the taxpayer. The program assists socially disadvantaged or beginning farmers in taking out a loan to buy a farm. Provided that the applicant makes a cash down payment of at least 5 percent, they are entitled to a low-interest-rate loan with government guarantees.[48] The ultimate risk of these loans is borne by the U.S. taxpayer.

**Farm Operating Loans:** The legislation expands loan eligibility to include "other legal entities." These loans are short-term guaranteed loans to provide farmers with liquidity while they wait to cash in on their harvest. They typically last fewer than 12 months – until harvest time. A farmer is eligible for these for 15 years before the "term limit" expires and they must use commercial loans.[49] The ultimate risk of these loans is borne by the U.S. taxpayer.

**Loans to 4-H Clubs, Future Farmers of America, etc:** The legislation repeals the requirement that these loans be for youth who are "rural residents," thereby expanding loan eligibility.

**Microloan Program:** The legislation allows for the establishment of a microloan program by the Secretary of Agriculture. The program is authorized to provide up to $35,000 per loan and up to $70,000 per farmer at any given time. Youth, beginner, and veteran farmers or ranchers are excluded from receiving microloans.[50] The ultimate risk of these loans is borne by the U.S. taxpayer.

[46] http://crs.gov/pages/Reports.aspx?PRODCODE=RS21977&Source=search#_Toc348093995
[47] http://www.fsa.usda.gov/Internet/FSA_File/loanprograms2012.pdf
[48] http://www.fsa.usda.gov/Internet/FSA_File/loanprograms2012.pdf
[49] http://www.fsa.usda.gov/Internet/FSA_File/loanprograms2012.pdf
[50] http://www.cbo.gov/sites/default/files/cbofiles/attachments/44202_USDAMandator~~%~~ percent20FarmPrograms.pdf

**Emergency Loans (within the scope of farm credit):** The legislation expands loan eligibility to include "other legal entities." Farmers who experience at least a 30 percent loss in a particular operation may obtain direct loans from the FSA.[51] The ultimate risk of these loans is borne by the U.S. taxpayer.

**Beginning Farmer and Rancher Individual Development Accounts Pilot Program:** The legislation extends the program's authorization through fiscal year 2018. This program began after the 2008 farm bill and provides financial assistance to beginning farmers and ranchers.[52] The ultimate risk of these loans is borne by the U.S. taxpayer.

**State Agricultural Mediation Programs:** The legislation extends the program's authorization through fiscal year 2018. These programs aim to resolve disputes or complaints raised by farmers affected by USDA actions. A mediator has no legally binding force, unlike a judge. State Governors may create and run their own mediation program. In other states, the FSA will hire mediators.[53]

**Loans to Purchasers of Highly Fractionated Land:** The legislation authorizes the Secretary to establish revolving loan funds for the program. Under the current program, the FSA loans money at "reasonable" rates to members of Indian reservations who want to acquire land within the reservation and could not find sufficient credit at "reasonable" rates on the private market.[54] The ultimate risk of these loans is borne by the U.S. taxpayer.

## Title VI – Rural Development:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title VI to be $13,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in an increase of outlays of approximately $96,000,000 over the same period, bringing estimated outlays of this title to $109,000,000 over the fiscal year 2014-2023 period.

**Water, Waste Disposal, and Wastewater Facility Grants:** The legislation continues the grant authorization through fiscal year 2018, with the current funding level of $30,000,000 per fiscal year. This program is the largest under the Rural Community Advancement Program portfolio, and it seeks to assist rural communities develop safe and affordable sewage treatment and waste disposal systems.[55] The underlying legislation reduced the funding level to $15,000,000. However an amendment sponsored by Rep. Lujan Grisham (D-NM) was adopted in the Committee markup that increased the funding back to its current level.

**Rural Business Opportunity Grants:** The legislation authorizes the grants at $15,000,000 for each fiscal year through 2018. These are competitive grants for training or technical assistance to people planning rural economic developments.[56]

[51] http://crs.gov/pages/Reports.aspx?PRODCODE=RS21212&Source=search#_Toc347329820
[52] http://cfed.org/assets/documents/policy/BFRIDA_5_28_09.pdf
[53] http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20030701_admin_en_agmedi03.html
[54] http://www.law.cornell.edu/uscode/text/25/488
[55] http://water.epa.gov/infrastructure/wastewater/septic/usda_index.cfm
[56] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351417

**Reservation of Community Facilities Grant Program Funds:** The legislation eliminates the reservation. Current law provides funding for basic public facilities in rural areas, and contains a provision which reserves 10 percent of its funds for child day care facilities. In FY2012, the program had a budget of $6,000,000, of which $600,000 would have been reserved for child day care facilities.[57]

**Rural Water and Wastewater Circuit Rider Program:** The legislation extends the program's authorization at an amount of $20,000,000 per fiscal year. The funding level was $15,000,000 for FY2012, and was $13,600,000 for FY 2008. The program provides technical assistance for operating rural water facilities, to help bring them in line with regulations.[58]

**Tribal College and University Essential Community Facilities:** The legislation authorizes the program with a reduced authorization of $5,000,000 for each fiscal year 2014 through 2018. The program was previously authorized at $10,000,000 per fiscal year. The program seeks to support health and safety facilities at tribal colleges and universities.[59]

**Emergency and Imminent Community Water Assistance Grant Program:** The legislation authorizes the program with a reduced authorization of $27,000,000 for each fiscal year 2014 through 2018. The program was previously authorized at $35,000,000. This program provides assistance to rural communities that have had a significant decline in quantity or quality of drinking water due to an emergency.[60]

**Grants to Household Water Well Systems:** The legislation authorizes the grants with a reduced authorization of $5,000,000 for each fiscal year 2014 through 2018. The prior authorization was at $10,000,000 per fiscal year. The grants fund household water well systems through nonprofits.[61]

**Rural Cooperative Development Grants:** The legislation authorizes the grants with a reduced authorization of $40,000,000 for each fiscal year 2014 through 2018. The program was previously authorized at $50,000,000. The grants provide funding for farming cooperatives and provides up to 75 percent of the cost of the project, with the ultimate risk borne by the U.S. taxpayer [62]

**Locally or Regionally Produced Agricultural Food Products:** The legislation extends the authorization through fiscal year 2018. The program provides guaranteed loans for businesses to provide locally produced foods to consumers, with the ultimate risk borne by the U.S. taxpayer. [63]

**Intermediary Relending Program:** The legislation extends the program's authorization and authorizes $10,000,000 per fiscal year. This program was funded at $6,000,000 for fiscal year 2012.[64] This program gives loans to provide liquidity to organizations (nonprofits or local

[57] http://crs.gov/pages/Reports.aspx?PRODCODE=R40160&Source=search#_Toc223250201
[58] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351417
[59] http://crs.gov/pages/Reports.aspx?PRODCODE=RL34126&Source=search#_Toc221003814
[60] http://www.rurdev.usda.gov/UWP-ecwag.htm
[61] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351415
[62] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351391
[63] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351397
[64] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351388

governments) so that they in turn can loan funds to rural businesses or organizations doing economic development projects, with the ultimate risk borne by the U.S. taxpayer.

**Grants for NOAA Weather Radio Transmitters:** The legislation authorizes $1,000,000 for each fiscal year 2014 through 2018. This program funds the expansion of NOAA Weather Radio transmission into rural areas and communities of less than 50,000 inhabitants.[65]

**Rural Microentrepreneuer Assistance Program:** The legislation authorizes the program with a reduced authorization of $20,000,000, from $40,000,000, for each fiscal year through 2018. The program provides grants and direct loans to microenterprise development organizations, which make loans to small businesses, with the ultimate risk borne by the U.S. taxpayer. This program has not received funding since fiscal year 2010.[66]

**Delta Regional Authority:** The legislation authorizes the program with a reduced authorization of $12,000,000, from $30,000,000, for each fiscal year through 2018. Competitive grants are given for housing, community, or business development to 252 specific counties and parishes in the states of Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.[67]

**Northern Great Plains Regional Authority:** The legislation authorizes the program with a reduced authorization of $2,000,000, from $30,000,000, for each fiscal year through 2018. Competitive grants are given for housing, community, or business development to 252 specific counties and parishes in the states in the northern Great Plains: Nebraska, Iowa, Minnesota, and the Dakotas.[68]

**Rural Business Investment Program:** The legislation authorizes the program with a reduced authorization of $20,000,000, from $50,000,000, for each fiscal year through 2018. The program allows a particular class of company to borrow and then make equity investments in rural businesses, with the ultimate risk borne by the U.S. taxpayer.[69]

**Rural Electrification Act of 1936:** According to the Committee, the act is amended to authorize loans for borrower relending to ultimate consumers for the purpose of energy efficiency. Loans and grants through the Rural Utilities Service (RUS) are also authorized under the Cushion of Credit Payments Program for relending to ultimate consumers for the purpose of energy efficiency, with the ultimate risk borne by the U.S. taxpayer. This act created the Rural Electrification Administration, which was eliminated in the 1994 USDA reorganization (PL 103-354) and replaced by the RUS.

**Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes:** The legislation extends the authorization through 2018. This provision guarantees bonds and notes issued by a lender in order to finance initiatives promoting electrification or telephone purposes. The annual authorized amount guaranteed is $1,000,000,000 under this program.[70]

[65] http://www.rurdev.usda.gov/UTP_WeatherRadio.html
[66] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351396
[67] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351402
[68] http://crs.gov/pages/Reports.aspx?PRODCODE=RL33076&Source=search#_Toc225124529
[69] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351394
[70] 7 U.S.C. 940c-1

**Expansion of 911 Access:** The legislation extends the authorization through fiscal year 2018. The program makes loans to entities to borrow from the Rural Utilities Service, state or local governments, Indian tribes for facilities and equipment to expand or improve in rural areas 911 access and homeland security communications. The ultimate risk of these loans is borne by the U.S. taxpayer.

**Access to Broadband Telecommunications Services in Rural Areas:** The legislation extends the authorization through fiscal year 2018 at $25,000,000 per fiscal year. The program provides loans and loan guarantees for the purposes of developing broadband service in rural areas.[71]

**Distance Learning and Telemedicine:** The legislation authorizes the program with a reduced authorization of $65,000,000, from $100,000,000, for each fiscal year and authorizes the program through fiscal year 2018. The program provides funding for advanced telecommunications for rural health and education services at schools, hospitals and libraries.[72] This program provides both grants and loans. The ultimate risk of these loans is borne by the U.S. taxpayer.

**Value-Added Agricultural Market Development Program Grants:** The legislation authorizes the program with an increased authorization of $50,000,000, from $15,000,000, for each fiscal year and authorizes the program through fiscal year 2018. This is another competitive grant program for business plans to market value-added agricultural products – essentially products that have undergone some treatment or change to make them an upgrade over the basic commodity. This program is targeted towards new or socially-disadvantaged farmers or ranchers, family farms, farming co-ops, and regional distribution and supply businesses.[73]

**Agriculture Innovation Center Demonstration Program:** The legislation reduces the authorization from $6,000,000 to $1,000,000 for each fiscal year and authorizes the program through fiscal year 2018. The program issues competitive grants and assistance for Agriculture Innovation Centers, which provide technical assistance and research to farmers. The maximum grant award is the lesser of $1,000,000 or twice the dollar amount of the resources that the eligible entity demonstrates are available.[74]

## Title VII – Research, Extension, and Related Matters:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title VII to be $111,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in an increase of outlays of approximately $760,000,000 over the same period, bringing estimated outlays of this title to $871,000,000 over the fiscal year 2014-2023 period.

**Veterinary Services Grant Program:** The legislation creates this new program with an authorization of $10,000,000 for each fiscal year. The program issues competitive grants to address the "veterinarian shortage situation."

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[71] 7 U.S.C. 950bb
[72] http://crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc355351406
[73] http://www.law.cornell.edu/uscode/text/7/1632a
[74] http://www.law.cornell.edu/uscode/text/7/1632b

**Grants and Fellowships for Food and Agriculture Sciences Education:** The legislation extends the authorization and authorizes $40,000,000 per fiscal year through 2018. These are competitive grants for university programs in agriculture, forestry, veterinary medicine, etc.[75]

**Policy Research Centers:** The legislation extends the authorization and authorizes $5,000,000 per fiscal year through 2018. Policy Research Centers were established in the 1977 Agricultural Research, Extension, and Teaching Policy Act. They provide grants to colleges, universities, etc. that research agriculture public policy.[76]

**Nutrition Education Program:** The legislation extends the authorization through fiscal year 2018. The NIFA's Expanded Food and Nutrition Education Program (EFNEP) gives funds for peer educators to teach nutrition at health and wellness centers, businesses, and schools.[77]

**Continuing Animal Health and Disease Research Programs:** The legislation authorizes the program with a reduced authorization of $15,000,000, from $25,000,000, for each fiscal year and authorizes the program through fiscal year 2018. This is another competitive grant program.[78]

**Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant Colleges, Including Tuskegee University:** The legislation extends the authorization through fiscal year 2018, at an amount of $25,000,000 per fiscal year for improvements to agricultural research departments at universities, colleges and other institutions.[79]

**Grants to Upgrade Agricultural and Food Sciences Facilities and Equipment at Insular Area Land-Grant Institutions:** The legislation extends the authorization through fiscal year 2018, and provides $8,000,000 per fiscal year for improvements to agricultural research departments at universities, colleges and other institutions at insular-areas (U.S. territories).

**Hispanic-Serving Institutions (within the National Agricultural Research, Extension, and Teaching Policy Act of 1977):** The legislation extends the authorization through fiscal year 2018, and provides $40,000,000 per fiscal year for improvements to agricultural research departments at Hispanic universities and colleges.

**Competitive Grants Program for Hispanic Agricultural Workers and Youth:** This is a new program that will award competitive grants to Hispanic-serving agricultural colleges to provide training to agricultural workers and youth.

**Competitive Grants for International Agricultural Science and Education Programs:** The legislation extends the authorization through fiscal year 2018 at an amount of $5,000,000 per fiscal year. The program issues competitive grants to universities for program pertaining to international agriculture.[80]

[75] http://www.law.cornell.edu/uscode/text/7/3152
[76] http://www.csrees.usda.gov/about/offices/legis/pdfs/nar77.pdf
[77] http://www.csrees.usda.gov/nea/food/efnep/efnep.html
[78] http://www.csrees.usda.gov/business/awards/formula/12_animal_health.pdf
[79] http://www.law.cornell.edu/uscode/text/7/3222b
[80] http://www.csrees.usda.gov/about/offices/legis/pdfs/nar77.pdf

**Research Equipment Grants:** The legislation repeals these grants. The program issues grants of up to $500,000 for colleges and universities to purchase equipment pertaining to agriculture research.[81]

**Capacity Building Grants for Non Land Grant Colleges of Agriculture Institutions:** The legislation extends the authorization through fiscal year 2018.

**Aquaculture Assistance Programs:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $5,000,000 per fiscal year through 2018.

**Rangeland Research Programs:** The legislation extends the authorization through fiscal year 2018, at a reduced amount of $2,000,000. The program had previously been authorized at $10,000,000 per fiscal year.

**Special Authorization for Biosecurity Planning and Response:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $10,000,000 per fiscal year through 2018. This program provides assistance for research to defend against biological warfare.[82]

**Distance Education and Resident Instruction Grants Program for Insular Area Institutions of Higher Education:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $2,000,000 per fiscal year through 2018. These are grants for web/digital education in the insular areas (U.S. territories).

**Best Utilization of Biological Applications**: The legislation extends authorization through 2018 with $40,000,000 appropriated annually. The program provides grants for research in the general scientific investigation of agriculture and related biology.

**Integrated Management Systems:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $20,000,000 per fiscal year through 2018. The program provides funding to propagate research on farm management best practices.

**Sustainable Agriculture Technology Development and Transfer Program:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $5,000,000 per fiscal year through 2018.

**National Training Program:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $20,000,000 per fiscal year through 2018. This program began in the 1990 farm bill and provides training assistance in sustainable agriculture.[83]

**National Genetics Resources Program:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $1,000,000 per fiscal year through 2018. The program began in the 1990 farm bill and documents genetic information pertaining to food and agriculture to be distributed to scientists.[84]

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[81] http://www.csrees.usda.gov/about/offices/legis/pdfs/nar77.pdf Section 1462
[82] http://www.law.cornell.edu/uscode/text/7/3351
[83] http://www.csrees.usda.gov/about/offices/legis/pdfs/fact.pdf
[84] http://www.ars-grin.gov/

**National Agricultural Weather Information System:** The legislation repeals this prior authorization.

**Rural Electronic Commerce Extension Program:** The legislation repeals this prior authorization. The program began in the 1990 farm bill and sought to get rural businesses to use computers.

**Agricultural Genome Initiative:** The legislation repeals this prior authorization. This was an agricultural genetics research program that began in the 1990 farm bill.

**High-Priority Research and Extension Initiatives:** The legislation extends the authorization through 2018 and expands eligibility for honey bee health disorders.

**Nutrient Management Research and Extension Initiative:** The legislation repeals this prior authorization.

**Organic Agriculture Research and Extension Initiative:** The legislation directs the Secretary to give priority to grant proposals found to be scientifically meritorious. The legislation authorizes $20,000,000 per fiscal year through 2018. This program provides grants to projects seeking to conduct research and assist farmers producing organic agricultural products.[85]

**Agricultural Bioenergy Feedstock and Energy Efficiency Research and Extension Initiative:** The legislation repeals this authorization.

**Farm Business Management:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $5,000,000 per fiscal year through 2018. This is another competitive grant program for research to improve general farm management knowledge.[86]

**Assistive Technology Program for Farmers with Disabilities:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $3,000,000 per fiscal year through 2018. The program offers competitive grants to programs that educate or assist disabled farmers.

**National Rural Information Center Clearing House:** The legislation extends the authorization through fiscal year 2018. This program informs individuals on which program they are eligible to join. The program is authorized at $500,000 to be appropriated for each fiscal year.

**Integrated Research, Education, and Extension Competitive Grants Program:** The legislation extends the authorization through fiscal year 2018. The program provides grants to universities for "integrated" research.

**Fusarium Graminearum Grants:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $7,500,000 per fiscal year through 2018. This grant program funds research for a fungus that destroys wheat and barley.

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[85] http://www.csrees.usda.gov/fo/organicagricultureresearchandextensioninitiative.cfm
[86] http://www.gpo.gov/fdsys/pkg/USCODE-2010-title7/html/USCODE-2010-title7-chap88-subchapVII-sec5925f.htm

**Bovine Johne's Disease Control Program:** The legislation repeals this authorization. The program provides assistance for research to control Johne's Disease in livestock.

**Grants to Youth Organizations (within the scope of the Agriculture Research, Extension, and Education Reform Act of 1998):** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $3,000,000 per fiscal year through 2018. These grants are awarded to youth organizations (4-H, Boy Scouts, etc) to encourage operations in rural areas.

**Specialty Crop Research Initiative:** The legislation authorizes these competitive grants and expands the scope to include the improvement of handling and processing. The legislation authorizes $50,000,000 for fiscal years 2014 and 2015, $55,000,000 for fiscal years 2016 and 2017, and $65,000,000 for fiscal year 2018. This program is a matching grant program intended for projects that are conducting research regarding specialty crops which are "fruits and vegetables, tree nuts, dried fruits and horticulture and nursery crops, including floriculture." Each federal dollar granted to a project must be matched by a dollar from a private source of funding.[87]

**Food Animal Residue Avoidance Database Program:** The legislation extends the authorization through fiscal year 2018. It is intended to aid partner universities in researching and maintaining a database of drugs used in animal agriculture. Specifically, "The Secretary shall offer to enter into a contract, grant, or cooperative agreement with 1 or more appropriate colleges and universities to operate the FARAD program. The term of the contract, grant, or cooperative agreement shall be 3 years, with options to extend the term of the contract triennially."[88]

**Office of Pest Management Policy:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $3,000,000 per fiscal year through 2018. This office develops policy for pesticides and pest management.

**Critical Agricultural Materials Act:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $2,000,000 per fiscal year through 2018.

**Research Facilities Act:** The legislation extends the authorization through fiscal year 2018. This act provides funding for up to 50 percent of the cost for the construction or renovation of private research facilities focused on agriculture research.[89]

**Carbon Cycle Research:** The legislation repeals the authorization. This grant funds climate change research.

**Competitive, Special, and Facilities Research Grant Act:** The legislation extends the authorization through fiscal year 2018. The primary areas of this grant program are plant health and production, animal health and production, food safety, nutrition, renewable energy, agriculture systems and technology, and agriculture economics.

**Renewable Resources Extension Act of 1978:** The legislation extends the authorization through fiscal year 2018. The Secretary of Agriculture will coordinate with state service programs and

[87] http://www.nifa.usda.gov/funding/rfas/pdfs/12_scri.pdf
[88] http://www.law.cornell.edu/uscode/text/7/7642
[89] http://www.csrees.usda.gov/about/offices/legis/pdfs/resfac.pdf

eligible colleges and universities to provide educational programs intended to help individuals to recognize, analyze, and resolve problems dealing with renewable resources. These programs are in addition to research and assistance programs conducted by the Department of Agriculture.[90]

**National Aquaculture Act of 1980:** The legislation extends the authorization through fiscal year 2018. The law is intended to address a lack of a sufficient aquaculture industry in the United States as well as provide a solution to the depletion of natural fish and shellfish populations. Specifically, the development plan funds research regarding aquaculture technology, its operation, implementation, and its effects on the environment.

**Beginning Farmer and Rancher Development Program:** The legislation extends the authorization through fiscal year 2018, and authorizes $20,000,000 for each fiscal year through 2018. The legislation also directs that 5 percent of funding be used to support programs and services that address the needs of military veteran beginning farmers and ranchers.

**McIntire-Stennis Cooperative Forestry Act:** The legislation amends the act to include the Commonwealth of the Northern Mariana Islands. The program provides financial assistance to universities, and others, that research various forestry issues.

**Agricultural Biosecurity Communication Center:** The legislation extends the authorization through fiscal year 2018. The legislation authorizes $2,000,000 per fiscal year through 2018. This is a USDA-run center for collecting and spreading information about defense against biological warfare.

**Assistance to Build Local Capacity in Agricultural Biosecurity Planning, Preparation, and Response:** The legislation extends the authorization through fiscal year 2018, and authorizes $15,000,000 per fiscal year. This is a competitive grant and low-interest loan assistance program for states to build their own defenses against biological warfare. The ultimate risk of these loans is borne by the U.S. taxpayer.

**Research and Development of Agricultural Countermeasures:** The legislation extends the authorization through fiscal year 2018, with a decreased amount of $15,000,000 per fiscal year. The prior authorization was $50,000,000 per fiscal year. This provides grants for research on agricultural countermeasures, dealing with radiation and other large contamination disasters.

**Agricultural Biosecurity Grant Program:** The legislation extends the authorization through fiscal year 2018, and authorizes $5,000,000 per fiscal year. This is a competitive grant program intended to promote the development of teaching programs in agriculture, veterinary medicine, and other disciplines closely related to the food and agriculture system. The grant may only be awarded to accredited schools of veterinary medicine or institutions of higher education which focus on comparative medicine, veterinary science, or agricultural biosecurity, with the intention to increase trained individuals with an expertise in these areas.[91]

**Research and Education Grants for the Study of Antibiotic-Resistant Bacteria:** The legislation repeals this authorization.

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[90] http://www.csrees.usda.gov/about/offices/legis/renresex.html
[91] 7 USC § 8922 - Agricultural biosecurity grant program

**Farm and Ranch Stress Assistance Network:** The legislation repeals this authorization. The program provided financial assistance for hotlines and support groups for farmers who feel stressed out about farming.

**Seed Distribution:** The legislation repeals this authorization. This was a grant program that sought to facilitate seed distribution to underserved communities. This program was authorized at "such sums as may be necessary."

**Natural Products Research Program:** The legislation extends the authorization through fiscal year 2018, and authorizes $7,000,000 per fiscal year. The program facilitates research with natural products (chemicals found naturally from organic sources) that can improve health and agribusiness.

**Sun Grant Program**: The legislation extends authorization through 2018 with $75,000,000 appropriated annually. The program provides grants to research centers developing biobased energy technology.[92]

**Study and Report on Food Deserts:** The legislation repeals this authorization. Congress directed the USDA to complete this study with passage of the 2008 Farm Bill.

**Agricultural and Rural Transportation Research and Education:** The legislation repeals this authorization. The program provides for research on agricultural/rural transportation issues.

**Cotton Disease Research Report:** Within 180 of enactment, the Secretary shall submit a cotton disease research report to Congress.

## Title VIII – Forestry:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title VIII to be $3,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in an increase of outlays of approximately 5,000,000 over the same period, bringing estimated outlays of this title to $8,000,000 over the fiscal year 2014-2023 period.

The legislation repeals the following forestry programs: Forest Land Enhancement Program, Watershed Forestry Assistance Program, Cooperative National Forest Products Marketing Program, Hispanic-Serving Institution Agricultural Land National Resources Leadership Program, and the Tribal Watershed Forestry Assistance Program.

**Forest Legacy Program:** The legislation extends the authorization through fiscal year 2018, and authorizes $55,000,000 per fiscal year. This program was created to protect forests that might be cleared for non-forest uses, such as for agriculture or residences. The forest service acquires property from willing landowners. The program also provides grants to states for the same purpose, and the program received $53,303,000 for fiscal year 2012.[93]

[92] 7 U.S.C. 8114
[93] http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL31065&Source=search

**Community Forest and Open Space Conservation Program:** The legislation extends the authorization through fiscal year 2018, and authorizes $1,500,000 per fiscal year. This program received $1,997,000 for fiscal year 2012, and was established to provide assistance to local governments and tribes for preventing the conversion of forestland to non-forest uses, such as crop production or residential construction.[94]

**Rural Revitalization Technologies:** The legislation extends the authorization through fiscal year 2018, and authorizes $5,000,000 per fiscal year to be appropriated. The program provides for education programs and provides technical assistance to "create jobs, raise incomes, and increase public revenues in manners consistent with environmental concerns."

**Office of International Forestry:** The legislation extends the authorization through fiscal year 2018 and authorizes $6,000,000 per fiscal year to be appropriated. The office is responsible for the international forestry activities of the Forest Service, and is charged with coordinate the activities of the Forest Service. According to CRS, the entire International Forestry Program, which runs this office, was appropriated $3,912,000 in FY 2012.[95]

**Healthy Forests Reserve Program:** The legislation extends the authorization through fiscal year 2018 and authorizes $9,750,000 per fiscal year to be appropriated. The legislation also allows the Secretary to pull funding from the Soil Conservation and Domestic Allotment Act to cover certain costs of the program. The Administration requested $0 for this program during their FY 2013 budget request. The program provides assistance to landowners in restoring and enhancing forest ecosystems.[96]

**Stewardship End Result Contracting Project Authority:** The legislation extends the authorization through fiscal year 2018. The Forest Service and the Bureau of Land Management may enter into stewardship contracting projects, either through agreements or contracts with private persons or public or private entities in order to perform services to achieve land management goals. The projects are intended to meet local community and rural needs for national forests and public lands, and can include projects to restore or maintain water quality; improve the condition of wildlife and fishery habitats; promote healthy forest stands; reduce fire hazards; restore and maintain watersheds; control noxious and exotic weeds and reestablish native plant species, among other goals.[97]

**Report on National Forest System Roads:** An amendment was adopted in the Committee markup, offered by Rep. Goodlatte (R-VA), that directs the Secretary to report to Congress on the total mileage of National Forest System roads and trails not meeting forest plan standards and guidelines.

[94] http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL31065&Source=search
[95] Source "International Forestry Program"- Table 11
[96] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R40763&Source=search
[97] (SECTION 347 OMNIBUS CONSOLIDATED APPROPRIATIONS ACT OF FY 1999, as amended by Sec. 323 of P.L. 108-7, 2003 (16 U.S.C. 2104 Note)

## Title IX – Energy:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title IX to be $243,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in no change to outlays over the same period.

**Biobased Markets Program:** The legislation extends the authorization through fiscal year 2018, and continues the authorization of $2,000,000 per fiscal year. Under this program, federal agencies and contractors must purchase biobased products when the purchase price of procurement is more than $10,000.[98]

**Biorefinery Assistance Program (BAP):** The legislation extends the authorization through fiscal year 2018, and provides $75,000,000 per fiscal year subject to appropriation. This program provides loan guarantees for the development of new and emerging technologies for advanced biofuels. Grantees are awarded up to 30 percent of total project costs while loans provide up to 80 percent of the cost, or $250 million.[99]

**Repowering Assistance Program:** The legislation extends the authorization through fiscal year 2018, and provides $10,000,000 per fiscal year. The program provides direct financial assistance to certain biorefineries to encourage their use of renewable biomass as a replacement for fossil fuels.[100]

**Bioenergy Program for Advanced Biofuels:** The legislation extends the authorization through fiscal year 2018, and provides $50,000,000 per fiscal year. The program provides support for the expansion of production for advanced biofuels. The program offers contracts with advanced biofuel producers to pay for their advanced biofuels to be produced.[101]

**Biodiesel Fuel Education Program:** The legislation extends the authorization through fiscal year 2018, and continues the authorization of $2,000,000 per fiscal year. This is another competitive grant program eligible to nonprofits for the educational of governmental and private entities that operate vehicle fleets.[102]

**Rural Energy for America Program:** The legislation amends the program to establish a three-tiered application, evaluation and oversight process that varies based on the cost of the proposed project. The legislation also extends the authorization through fiscal year 2018, and provides $45,000,000 per fiscal year. This program provides financial assistance (grants, etc) for the development and construction of renewable energy systems and for energy efficiency improvement projects.[103]

**Biomass Research and Development:** The legislation extends the authorization through fiscal year 2018, and authorizes for appropriation $20,000,000 per fiscal year. This initiative was created in 2000, and provides grants, contracts, and financial assistance for the research and development

[98] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search
[99] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search
[100] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search
[101] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search
[102] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search
[103] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search

that leads to commercial production of biofuels, biobased energy innovations, and the development of biobased feedstocks.[104]

**Feedstock Flexibility Program**: This program requires the USDA to establish and administer a program which subsidizes the use of sugar for ethanol production through federal purchases of surplus sugar for resale to ethanol producers. The USDA would only implement FFP in years when these subsidies are necessary to ensure that the sugar program does not operate at a cost to the federal government. Because the U.S. is normally a net importer of sugar, consuming the sugar domestic processers produce, the program is currently on standby until the CCC acquires an inventory of sugar, but funding authority was extended through FY2013 by ATRA.

**Biomass Crop Assistance Program:** The legislation also extends the authorization through fiscal year 2018, and provides $75,000,000 per fiscal year. This program provides financial assistance to those who own and/or operate agricultural and non-industrial private forest land and who wish to establish, produce, and deliver biomass feedstocks.[105]

**Community Wood Energy Program:** The legislation extends the authorization through fiscal year 2018, and provides $2,000,000 per fiscal year. The program provides matching grants to state and local governments to purchase wood energy systems for public buildings.[106]

## Title X – Horticulture:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title X to be $1,061,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in an increase of outlays of approximately $543,000,000 over the same period, bringing estimated outlays of this title to $1,604,000,000 over the fiscal year 2014-2023 period.

**Specialty Crops Market News Allocation:** The legislation continues the authorization through fiscal year 2018. Under the program, Agricultural Marketing Service (AMS) collects, and disseminates market information at the local, regional, national, and international level for many several commodities. Reports at the federal and state level collect the data at wholesale markets and other places. AMS then disseminates the information on the internet. The information includes supply, prices, contractual agreements, inventories, movement, and more.[107]

**Farmers Market and Local Food Promotion Program:** The legislation also extends the authorization through fiscal year 2018, and provides $30,000,000 in mandatory funding as well as the authorization for $10,000,000 for the program each fiscal year subject to appropriation.

[104] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search
[105] http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap
[106] http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41985&Source=search
[107] http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateA&navID=MarketNewsAndTransportationData&leftNav=MarketNewsAndTransportationData&page=MarketNewsAndTransportationData&acct=AMSPW

**National Organic Certification Cost-Share Program:** The legislation repeals the National Organic Certification Cost-Share Program. The RSC has previously highlighted this program for elimination through the RSC Sunset Caucus.

**Organic Agriculture:** The legislation authorizes the Organic Foods Production Act through fiscal year 2018, with an authorization of $11,000,000 per fiscal year.

The legislation grants the Secretary investigative powers (including the power to subpoena) in order to verify the accuracy of information related to a producer or handlers organic certification. The Secretary may suspend or revoke the organic certification, and the legislation makes it a civil crime to violate the Organic Foods Production Act.

**Organic Product Promotion Order:** The legislation authorizes the Secretary to issue an Organic Commodity Promotion Order, commonly referred to as a "check-off program." Under a typical check-off program, domestic producers are assessed a mandatory fee that is collected and used for promotion and research activities. The fee is determined by the industry when developing their petition to USDA. Examples of check-off programs include Got Milk?, The Incredible Edible Egg, and the proposed "Christmas Tree Tax" that is discussed below. CBO estimates this provision will result in an increase in revenue of $54,000,000 over the 2014-2013 period. This provision was added during markup via an amendment offered by Rep. Schrader (D-OR).

**Food Safety Education Initiatives:** The legislation extends the authorization through fiscal year 2018, and authorizes $1,000,000 per fiscal year. This is an education program in cooperation with public and private partners to educate the public on scientifically proven practices for reducing microbial pathogens on fresh produce.

**Specialty Crop Block Grants:** The legislation changes the formula for allocation of the block grants. It extends the authorization through fiscal year 2018, and authorizes $72,500,000 for each fiscal year 2014 through 2017, and $85,000,000 for fiscal year 2018. An amendment was added during the Committee markup, via Rep. Ribble (R-WI), to specify that any grants under this section are used to equipment or capital-related research costs determined to enhance the competitiveness of specialty crops.

**Report on New Federal Honey Standard:** Within 180 days of enactment, the Secretary shall submit a report to the Commissioner of Food and Drugs describing how an appropriate federal standard for the identity of honey would be in the interest of consumers, the honey industry, and U.S. agriculture.

**Bulk Shipments of Apples to Canada:** The legislation waives certain provisions of the Export Apple Act to bulk shipments sent to Canada.

**New Olive Oil Import Control:** The legislation adds "olive oil" to the list of commodities regulated by import controls.

**Christmas Trees:** The legislation, removes the stay on regulations for the "Christmas Tree Promotion, Research, and Information Order." This issue came to light last Congress and was known as the "Christmas Tree Tax." On November 8, 2011, the Agricultural Marketing Service (an extension of the Obama Administration) issued a final rule that approved a new program to help promote Christmas trees.[108] The USDA issued a stay on these regulations on November 17, 2011. Under this rule, producers and importers of fresh cut Christmas trees would pay an initial assessment of $0.15 per tree, which would be paid to the proposed Christmas Tree Promotion Board to carry out research and promotion activities. CBO estimates this provision will result in an increase in revenue of $10,000,000 over the 2014-2013 period. This provision was added during markup via an amendment offered by Rep. Schrader (D-OR).

## Title XI – Crop Insurance:

CBO's May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title XI to be $84,105,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in an increase of outlays of approximately $8,914,000,000 over the same period, bringing estimated outlays of this title to $93,019,000,000 over the fiscal year 2014-2023 period. Outlays under this Title take up an estimated 9.9 percent of direct outlays under the bill. The ultimate risk of all crop insurance is borne by the U.S. taxpayer.

**Supplemental Coverage Option:** The legislation establishes this new option, where producers may purchase additional coverage based on an individual or area yield and loss basis or a margin basis. The coverage level may not exceed 85 percent of the individual yield, or 95 percent of the of the area yield. Coverage offered by the program is triggered when losses exceed 10 percent of normal levels. Crops that are enrolled in the Revenue Loss Coverage program (detailed in Title I) are not eligible for this coverage. CBO estimates this new option will result in an increase of outlays of $3.850 billion over the fiscal year 2014-2023 period.

**Performance-Based Discount:** The legislation repeals the authority for these discounts. This discount was for producers of agricultural commodities who had good insurance or production experience relative to other producers of that agricultural commodity in the same area.

**Permanent Enterprise Unit Subsidy:** The legislation directs the Federal Crop Insurance Corporation to pay a portion of the premiums for policies on an enterprise unit basis.

**Enterprise Units for Irrigated and Non-Irrigated Crops:** The legislation directs the Federal Crop Insurance Corporation to make enterprise units[109] available for irrigated and nonirrigated acreage crops. CBO estimates this new option will result in an increase of outlays of $586 million over the fiscal year 2014-2023 period.

**Increase Of Actual Production History:** The legislation raises the threshold from 60 percent to 70 percent of production history. This is used to determine when payments are issued when producers elect to use a transitional yield. This is an increase in liability that is covered by the U.S. taxpayer. CBO estimates this new option will result in an increase of outlays of $936 million over the fiscal year 2014-2023 period.

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[108] https://www.federalregister.gov/articles/2011/11/08/2011-28807/christmas-tree-promotion-research-and-information-order-referendum-procedures

[109] Enterprise Unit: All insurable acreage of the insured crop in the county in which you have a share on the date coverage begins for the crop year.

**Equitable Relief for Specialty Crop Policies:** The legislation authorizes an additional $41,000,000 annually from 2011 through 2015 to reimburse those holding eligible insurance contracts for agricultural commodities not covered under Title 1 of this bill

**Beginning Farmer and Rancher Provisions:** The legislation gives beginning farmers and ranchers premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available, thereby increasing the taxpayer's exposure to risk that rest upon the abilities of inexperienced farmers. CBO estimates this provision will increase outlays by $3.693 billion over the 2014-2023 period.

**Stacked Income Protection Plan for Upland Cotton:** This is a new additional policy available to producers. The new program provides coverage for revenue losses between 10 percent - 30 percent of expected county revenue. The deductible is the minimum percent of revenue loss as which indemnities are triggered under the plan, with a minimum of 10 percent of the expected country revenue. CBO estimates this new option will result in an increase of outlays of $3.693 billion over the fiscal year 2014-2023 period.

**Peanut Revenue Crop Insurance:** This is a new additional policy available to producers. The program insures peanut producers against losses in crop revenue if they fall below the Rotterdam price index for peanuts. CBO estimates this new option will result in an increase of outlays of $69 million over the fiscal year 2014-2023 period.

**Margin Coverage for Biomass and Catfish:** The legislation directs the Federal Crop Insurance Corporation to conduct research and development regarding a possible policy to insure catfish producers against margin losses, and to insure biomass sorghum that is grown for the purpose of producing a feedstock for renewable biofuel.

**Catastrophic Disease Program:** The legislation directs the Federal Crop Insurance Corporation to conduct a feasibility study regarding insuring swine producers and poultry producers for against catastrophic events. Some conservatives might be concerned that this study could lead to another niche program to provide certain producers with additional coverage above what is current already available, and borne by the U.S. taxpayer.

**Whole Farm Diversified Risk Management Insurance Plan:** The legislation directs the Federal Crop Insurance Corporation to enter into contacts to research and develop a whole farm risk management insurance plan, with a liability limitation of $1,250,000 that allows diversified crop or livestock producers the option to qualify for a payment if farm revenue is below 85 percent of the average gross revenue.

## Title XII – Miscellaneous:

CBO May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title XII to be $1,410,000,000 over the 2014-2023 period. CBO estimates this legislation would result in an increase of outlays of approximately $96,000,000 over the same period, bringing estimated outlays of this title to $1,506,000,000 over the 2014-2023 period.

**National Sheep Industry Improvement Center:** The legislation also extends the authorization through fiscal year 2018, and continues the mandatory authorization of $1,000,000 per fiscal year, with an additional $10,000,000 subject to appropriations. The Sheep Center is a government entity that researches, promotes, and markets for sheep and goat-related industries. It was founded in 1996, privatized in 2006, de-privatized in 2008.[110]

**Trichinae Certification Program:** The legislation extends the authorization through fiscal year 2018. Trichinae Certification Program issues certificates to pork producers who have their swine inspected by accredited veterinarians to make sure that the producers are minimizing exposure to trichinella spiralis.[111]

**National Aquatic Animal Health Plan:** The legislation extends the authorization through fiscal year 2018, and continues the authorization of "such sums as may be necessary." National Aquatic Animal Health Plan is not a regulatory program in itself, but rather a set of guidelines for other federal agencies and private actors meant to optimize the health and safety of aquaculture.[112]

**National Animal Health Laboratory Network:** The Secretary is given new authority to enter into contracts, grants and agreements with eligible laboratories to enhance the capability to detect and respond to emerging or existing threats to animal health. The Secretary shall also coordinate the development of national veterinary diagnostic laboratory capabilities, with special emphasis on surveillance planning and vulnerability analysis. The legislation authorizes $15,000,000 for each fiscal year 2014 through 2018.

**Repeal of Duplicative Catfish Inspection Program:** This section reverses the decision in the 2008 Farm Bill to move catfish inspection jurisdiction from the FDA to the USDA. FDA currently inspects all commercial seafood. USDA has never inspected seafood. The USDA program will cost $30,000,000 to set up and $14,000,000 each year after that. If this program is not repealed, seafood processors that work with both catfish and any other seafood will be subject to duplicative jurisdiction for the same processing function depending on the species of fish. The FDA and CDC rank commercial catfish as a "low-risk food." USDA itself has concluded that there is no food safety benefit to creating this new government program. Based on the determination that catfish is a low-risk food and the program is not necessary for human health, this program would likely violate the WTO Sanitary and PhytoSanitary (SPS) agreement. The repeal of this duplicative program has been highlighted through the RSC's Repeal Task Force.

**Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers:** The legislation includes veteran farmers and ranchers in the outreach program, and authorizes $10,000,000 per fiscal year through 2018. The legislation also authorizes $20,000,000 for appropriation for each fiscal year 2014-2018.

**Office of Advocacy and Outreach (Within the Department of Agriculture Reorganization Act of 1994):** The legislation extends the authorization through fiscal year 2018, and authorizes of

[110] http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&navID=NationalSheepIndustryImprovementCenterBackground&rightNav1=NationalSheepIndustryImprovementCenterBackground&topNav=&leftNav=&page=NSIICBackground&resultType=&acct=lspromores
[111] http://www.aphis.usda.gov/vs/trichinae/docs/prog_stds.htm
[112] http://www.aphis.usda.gov/animal_health/animal_dis_spec/aquaculture/downloads/naahp.pdf

$2,000,000 per fiscal year. This is an office to tell people about programs that are available for them. This one tells farmers about the arcane provisions for them buried within Title VII of the U.S. Code.[113]

**Grants to Improve Supply, Stability, Safety, and Training of Agricultural Labor Force:** The legislation also extends the authorization through fiscal year 2018, and authorizes $10,000,000 per fiscal year. The Office of Advocacy and Outreach is now responsible for these grants to improve supply, stability, safety, and training of the agricultural labor force. These involve workplace literacy classes, ESOL classes, health and safety instruction, etc.[114]

**Office of Tribal Relations:** This is a new office to advise the Secretary on policies related to Indian tribes.

**Military Veterans Agricultural Liaison:** This is a new office to provide information to returning veterans about beginning farmer training and agricultural vocational and rehabilitation programs.

**Prohibition on Closure or Relocation of Offices:** The legislation prohibits the Secretary from closing or relocating a county or field office of the Farm Service Agency if the Secretary determines that the office has a high workload volume compared with other county offices in the state. This section was added to the bill during the Committee markup by Rep. Crawford (R-AR).

**Maple Syrup and Maple-Sap Products:** The legislation authorizes $20,000,000 per fiscal year for the Secretary to make grants to states, tribal governments, and research institutions to promote the domestic maple syrup industry. This is a new authorization that was added to the bill during the Committee markup by Rep. Courtney (D-CT).

**Animal Fighting**: The legislation expands the Animal Welfare Act to make it crime to knowingly attend or knowingly cause a minor to attend an animal fighting venture. This provision was added during the Committee markup via amendment by Rep. McGovern (D-MA).

**Natural Stone Check-Off Program:** The legislation adds "natural stone" to the list of commodity products that can petition the USDA for the issuance of a promotion and research order, commonly referred to as a "check-off program." Under a typical check-off program, domestic producers are assessed a mandatory fee that is collected and used for promotion and research activities. The fee is determined by the industry when developing their petition to USDA. Examples of check-off programs include Got Milk?, The Incredible Edible Egg and the proposed "Christmas Tree Tax" that is discussed within Title X.

**Prohibition Against Interference by State and Local Governments with Production or Manufacture of Items in other States:** This provision was added during the Committee markup via amendment by Rep. King (R-IA). The text references the Commerce Clause, and states that the government of a state or locality shall not impose a standard or condition on the production or manufacture of any agriculture product, if that product is produced or manufactured in another state

[113] http://www.outreach.usda.gov/
[114] http://www.outreach.usda.gov/farmworker/functions.htm

and the standard or condition is in addition to the standards and conditions applicable pursuant to federal law, and the laws of the state or locality in which the production or manufacture occurs.

For background, in 2008 a ballot proposition known as Proposition 2 passed in California. After passage of Prop 2, farmers within California have until January 1, 2015, to comply with the following new standards:

- Requires that calves raised for veal, egg-laying hens and pregnant sows be confined only in ways that allow these animals to lie down, stand up, fully extend their limbs and turn around freely.
- Exceptions made for transportation, rodeos, fairs, 4-H programs, lawful slaughter, research and veterinary purposes.
- Provides misdemeanor penalties, including a fine not to exceed $1,000 and/or imprisonment in jail for up to 180 days.

In July of 2010, Gov. Schwarzenegger (R-CA) signed into law a bill requiring all shelled eggs sold in California to comply with the standards outlined in Prop 2. By passing this law, California is attempting to force egg producers around the country to comply with their arbitrary standards.

**Past Authorizations:** A one-year authorization of food and farm programs was included within passage of H.R. 8 from the 112th Congress. This legislation passed the House of Representatives on January 1, 2013, by a roll call vote of 257-167. The current authorization of food and farm programs will expire after September 30, 2013. The RSC's Legislative Bulletin for H.R. 8 can be viewed here.

The last time Congress passed a five-year authorization of food and farm programs was in the 110th Congress with passage of H.R. 6124. This legislation first passed the House of Representatives on May 22, 2008 by a roll call vote of 306-110. The legislation then passed the Senate and was vetoed by President George W. Bush. The House of Representatives voted on June 18, 2008 to override the President's veto by a roll call vote of 317-109.

**Conservative Concerns:**
**NOTE: This section is for informational purposes only and should not be taken as support or opposition from the Republican Study Committee.**

Conservatives are divided on this legislation.

The total direct and discretionary cost of the bill is approximately $972 billion over the ten-year period. While the bill does cut $33.4 billion from the current baseline, this is only a 3.4% cut that some Members do not feel goes far enough. The CBO estimate for direct spending under the 2008 Farm Bill was approximately $714.2 billion over the fiscal year 2008-2018 period.[115] Total direct spending under the 2008 legislation was estimated to be $66 billion for FY 2013, however SNAP spending for FY 2013 alone is now estimated to be approximately $82.4 billion. If enacted, the next Farm Bill would likely be considered sometime around fiscal year 2018, so the next opportunity to reform many of these programs may be five years away.

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[115] http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/92xx/doc9230/hr2419conf.pdf

The legislation does eliminate the Direct Payment Program, however it creates an exception for producers of upland cotton. These producers will continue to receive direct payments through the 2015 crop year. Producers of upland cotton are the only commodity crop that will still be eligible for this program.

While the legislation eliminates the Counter-Cyclical Payment (CCP) program, as well as the ACRE program, the legislation creates the new Price Loss Coverage (PLC) and Revenue Loss Coverage (RLC) programs that will operate very similarly. CBO has scored the PLC and RLC as an increase in direct spending of approximately $17 billion over the CCP and ACRE program. This increase is due to the increased taxpayer liability with the new programs. Additionally, some conservatives have expressed concerns that these new programs will further alter producers' behavior and encourage less sustainable farming in order to increase program payments.

The legislation also contains several new "check-off" programs which are discussed in the summaries for Titles XI and XII. Several Members have expressed that it is not the role of the federal government to mandate a fee (tax) on certain producers for marketing campaigns.

Members have further concerns with the lack of reform to the USDA's sugar program. Members argue that the program's price supports, marketing loans, and tariff-rate quotas are anti-free market and artificially raise the domestic price of sugar.

The new "supply management" dairy program is arguably one of the most contentious provisions within the legislation. In certain scenarios, when a trigger is activated, the program withholds payments to dairy producers if they produce more than a certain amount. Therefore the program encourages the producers not to produce. The program's intent is to decrease supply to increase price, which would ultimately be felt by the consumer.

While the legislation makes positive reforms to SNAP, it still encompasses 79.18 percent of direct spending within the legislation, the legislation does not contain work requirements, which are fundamental to welfare reform. In FY 2008, SNAP cost the U.S. taxpayer approximately $37.6 billion. However, for FY 2012, the program had grown so much that it cost approximately $78.4 billion.

The bill also allows the President to continue to issue states waivers for their Able-Bodied Adults Without Dependents (ABAWDs) population, and it does not completely decouple the existing SNAP / LIHEAP relationship.

The legislation also contains several new authorizations, including:

- an income protection plan for upland cotton producers;
- a supplemental coverage option for crop insurance;
- peanut revenue crop insurance;
- a price support for japonica rice (commonly used in sushi);
- the Healthy Food Financing Initiative;
- grants to promote Maple Syrup and Maple Sap products;
- an Office of Tribal Relations;
- a Military Veterans Agricultural Liaison; and
- an Undersecretary of Agriculture for Foreign Agricultural Services.

Additionally, some Members are concerned with federal agricultural policy in general and argue that there is no other sector of the economy that's as heavily subsidized or skewed by the federal government. Several Members have expressed that this goes against free-market principles, and conservative thought, in which minimal government interference and the attitudes and decisions of the consumer are the ultimate determining factors.

**Committee Action:** H.R. 1947 was introduced on May 13, 2013, and was referred to the House Committee on Agriculture. A full committee markup was held on May 15, 2013, and the legislation was approved by a roll call vote of 36-10.

**Outside Groups:** The following groups are scoring against final passage of the bill:

- Americans for Prosperity
- Club for Growth
- FreedomWorks
- Heritage Action for America
- Natural Taxpayers Union

The following groups are opposed to final passage of the bill:

- American Conservative Union
- Let Freedom Ring
- Taxpayers Protection Alliance

Additionally, the Conservative Action Project, chaired by former Attorney General Edwin Meese and former Congressman David McIntosh, issued a memo opposing final passage of the farm bill. The memo can be viewed here.

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** CBO estimates that direct spending from the legislation would total $939 billion over the 2014-2023 period. Relative to spending projected under CBO's May 2013 baseline, CBO estimates that enacting H.R. 1947 would reduce direct spending by $33.4 billion over the 2014-2023 period.

Assuming appropriation of the specified amounts, CBO also estimates that implementing H.R. 1947 would result in discretionary spending of $33.2 billion over the 2014- 2023 period. Therefore, direct and discretionary spending would total $972.70 billion over the 2014-2023 period.

A table showing CBO's baseline of direct spending for current law, compared to the changes of H.R. 1947 is below:

| Title: | CBO's baseline for current law | CBO's estimated changes in direct spending outlays | New Outlay Estimate | Title as % of new baseline |
|---|---|---|---|---|
| I - Commodities | 58,765,000,000 | -18,626,000,000 | 40,139,000,000 | 4.2723% |
| II - Conservation | 61,567,000,000 | -4,827,000,000 | 56,740,000,000 | 6.0393% |
| III - Trade | 3,435,000,000 | 150,000,000 | 3,585,000,000 | 0.3816% |
| IV - Nutrition | 764,432,000,000 | -20,509,000,000 | 743,923,000,000 | 79.1823% |
| V - Credit | -2,240,000,000 | 0 | -2,240,000,000 | -0.2384% |
| VI - Rural Development | 13,000,000 | 96,000,000 | 109,000,000 | 0.0116% |
| VII - Research and Related Matters | 111,000,000 | 760,000,000 | 871,000,000 | 0.0927% |
| VIII - Forestry | 3,000,000 | 5,000,000 | 8,000,000 | 0.0009% |
| IX - Energy | 243,000,000 | 0 | 243,000,000 | 0.0259% |
| X - Horticulture | 1,061,000,000 | 543,000,000 | 1,604,000,000 | 0.1707% |
| XI - Crop Insurance | 84,105,000,000 | 8,914,000,000 | 93,019,000,000 | 9.9008% |
| XII - Miscellaneous | 1,410,000,000 | 96,000,000 | 1,506,000,000 | 0.1603% |
| Total Outlays: | $972,905,000,000 | -$33,398,000,000 | $939,507,000,000 | 100.0000% |

CBO estimates the new Organic Product Promotion Order will result in an increase in revenue of $54,000,000 over the 2014-2013 period. CBO estimates the Christmas Tree Promotion Order ("Christmas Tree Tax") will result in an increase in revenue of $10,000,000 over the 2014-2013 period.

**Does the Bill Expand the Size and Scope of the Federal Government?:** The legislation eliminates the following authorizations, thereby reducing the size and scope of government (this list may not be exhaustive): Direct Payment Program, Counter Cyclical Program, Average Crop Revenue Election program, Dairy Product Price Support Program, Milk Income Loss Contract Program, Dairy Export Incentive Program, Federal Milk Marketing Order Review Commission, Wetland Reserve Program, the Grassland Reserve Program, and the Farmland Protection Program, Emergency Forestry Conservation Reserve Program, Agricultural Water Enhancement Program, Wildlife Habitat Incentive Program, Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiatives (CCPI) Program, Great Lakes Basin Program, Environmental Easement Program, Forest Land Enhancement Program, Watershed Forestry Assistance Program, Cooperative National Forest Products Marketing Program, Hispanic-Serving Institution Agricultural Land National Resources Leadership Program, Tribal Watershed Forestry Assistance Program, grant program to improve movement of specialty crops, National Organic Certification Cost-Share Program, Performance-Based Discount, a duplicative catfish inspection program, Research Equipment Grants, Research and Education Grant for the Study of Antibiotic-Resistant Bacteria, Farm and Ranch Stress Assistance Network, Seed Distribution, Agricultural and Rural Transportation Research and Education, Bovine Johne's Disease Control Program, Carbon Cycle Research, Agricultural Bioenergy Feedstock and Energy Efficiency Research and Extension Initiative, Farm Viability Program, Agricultural Genome Initiative, Rural Electronic Commerce

Extension Program, the National Agricultural Weather Information System, and the Nutrient Management Research and Extension Initiative.

The following authorizations are new, thereby expanding the size and scope of government (this list may not be exhaustive): Price Loss Coverage program (similar to Counter Cyclical Payments), the Revenue Loss Coverage program (similar to ACRE), the Regional Conservation Partnership Program, Dairy Market Stabilization Program, Dairy Producer Margin Protection Program, Supplemental Coverage Option for crop insurance, Stacked Income Protection Plan for Producers of Upland Cotton, Peanut Revenue Crop Insurance, a new appropriation for the National Animal Health Laboratory Network, Office of Tribal Relations, grants to promote Maple Syrup and Maple-Sap Products, Pilot Projects to Improve Federal-State Cooperation at Identifying and Reducing Fraud in SNAP, Healthy Food Financing Initiative, Veterinary Services Grant Program, Military Veterans Agricultural Liaison, Competitive Grants For Hispanic Agricultural Workers and Youth, Healthy Food Financing Initiative, Under Secretary of Agriculture for Foreign Agricultural Services. The legislation also expands eligibility to several loan programs, and authorizes the Secretary to issue new "microloans." The legislation also issues an Organic Product Promotion Order, a Christmas Tree Promotion Order (Christmas Tree Tax), and allows natural stone products to petition the USDA for a new check-off program.

**Does the Bill Contain Any Intergovernmental Mandates?:** According to CBO: The bill would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), by preempting state laws that regulate the production and manufacture of agricultural products offered for sale in interstate commerce if those laws impose standards or conditions that are in addition to the standards and conditions imposed by federal law or the laws of the producing or manufacturing state. Many states have laws regulating the production and manufacture of agricultural products that are different than the laws of other states. By limiting a state's ability to regulate agricultural products sold under its jurisdiction, the bill would preempt state authority. However, because the preemption would impose no duty on state governments that would result in additional spending, the threshold established by UMRA for costs of intergovernmental mandates ($75 million in 2013, adjusted annually for inflation) would not be exceeded.

**Does the Bill Contain Any Local-Government or Private-Sector Mandates?:** According to CBO: The bill also would impose private-sector mandates as defined in UMRA. The aggregate cost of those mandates could exceed the annual threshold established in UMRA for private-sector mandates ($150 million in 2013, adjusted annually for inflation), depending on the extent of regulations that might be implemented by the Department of Agriculture. Specifically:

- The bill would impose mandates on dairy handlers that purchase milk from dairy producers participating in the Dairy Market Stabilization Program (DMSP). Under the DMSP, certain handlers would be required to report information to the Department of Agriculture under some circumstances. According to information from industry sources, the cost for handlers to collect and report information under the DMSP could amount to $100 million or more annually, depending on regulations to be issued by the department.
- The bill would require imports of olive oil to meet the same standards as olive oil produced in the United States if a marketing order for olive oil is established. Imports would have to be inspected to ensure compliance with the standards of such a marketing order. Because

15,000 to 20,000 lots of olive oil are imported annually, the costs of those inspections could amount to tens of millions of dollars per year, if a marketing order is established.

- The bill would expand the list of commodities eligible for federal research and promotion programs, which are funded through industry assessments. If approved by the Department of Agriculture and approved by industry referendum, members of the industry would be required to pay an assessment. Based on information from industries seeking to establish a federal research and promotion program, CBO estimates that the assessments would amount to tens of millions of dollars annually.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** The legislation does not contain earmarks, limited tax benefits or limited tariff benefits.

**Constitutional Authority:** Rep. Lucas states "Congress has the power to enact this legislation pursuant to the following: The ability to regulate interstate commerce and with foreign Nations pursuant to Article 1, Section 8, Clause 3 includes the power to regulate commodity prices, practices affecting them and the trading or donation of the commodities to impoverished nations. In addition, the Congress has the power to provide for the general Welfare of the United States under Article 1, Section 8, Clause 1 which includes the power to promote the development of Rural America through research and extension of credit." Rep. Lucas's statement in the Congressional Record can be viewed here.

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