



## H.R. 2 — Agriculture and Nutrition Act of 2018 (Rep. Conaway, R-TX)

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### FLOOR SCHEDULE:

Scheduled for consideration on Thursday, June 21, 2018, pursuant to the Motion to Reconsider the vote on final passage.

This Legislative Bulletin covers the bill that would be passed, including the 41 amendments adopted by the House.

### TOPLINE SUMMARY:

[H.R. 2](#) would authorize federal agriculture, conservation, and nutrition programs under the Department of Agriculture until 2023. The legislation is divided into 11 titles related to commodities, conservation, trade and international food assistance, nutrition, credit, rural infrastructure and economic development, agricultural research extension, forestry, horticulture, crop insurance, as well as miscellaneous Department of Agriculture programs.

### COST:

Spending under H.R. 2 would total \$453.931 billion over the FY 2019 – 2023 period and \$899.063 billion over the FY 2019 – 2028 period.

The rules governing the Congressional Budget Office’s practices require the CBO baseline to assume “that most farm bill programs that expire at the end of 2018 will continue to operate after their authorizations expire in the same manner that they did before such expiration.” Because of this, the CBO baseline includes \$426.462 billion in farm bill spending over the FY 2019 – 2023 period and \$867.2 billion over the FY 2019 – 2028 period.

The bill would increase direct (mandatory) spending by \$3.195 billion over the FY 2019 – 2023 period and \$458 million over the FY 2019 – 2028 period.

The bill would increase spending subject to appropriation by \$24.274 billion over the FY 2019 – 2023 period and \$31.863 billion over the FY 2019 – 2028 period.

As a result, the bill would increase spending by \$27.469 billion over the FY 2019 – 2023 period and \$31.863 billion over the FY 2019 – 2028 period.

Total Spending under H.R. 2 (in millions of dollars)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total, 2019- 2023	Total, 2019- 2028
<b>Farm Bill Spending in Baseline</b>	85,372	84,617	85,989	85,263	85,221	85,831	86,800	87,938	89,268	90,901	426,462	867,200
<b>Changes in Direct Spending</b>	719	630	1,020	582	244	-240	-302	-640	-748	-807	3,195	458
<b>Changes in Spending Subject to Appropriation</b>	2,378	4,479	5,433	5,900	6,084	3,952	1,973	803	306	97	24,274	31,405
<b>Total Changes in Spending</b>	3,097	5,109	6,453	6,482	6,328	3,712	1,671	163	-442	-710	27,469	31,863
<b>Total Spending Under H.R. 2</b>	88,469	89,726	92,442	91,745	91,549	89,543	88,471	88,101	88,826	90,191	453,931	899,063
<b>Changes in Revenues</b>	0	0	0	55	60	60	65	70	75	80	115	465

The bill would also increase revenues by \$115 million over the FY 2019 – 2023 period and \$465 million over the FY 2019 – 2028 period.

The estimate from the Congressional Budget Office can be found [here](#).

### **CONSERVATIVE CONCERNS:**

**Fails to Decouple Farm Subsidy Programs from Welfare Programs:** Some conservatives may be concerned that the bill continues the practice of pairing farm subsidy programs with nutrition assistance programs instead of considering reforms to each on their own merits.

**SNAP Reforms:** Many conservatives will be pleased that the bill takes steps to reform SNAP, including by eliminating the broad based categorical eligibility and “heat and eat” loopholes.

**SNAP Work Requirements:** Many conservatives will be pleased that the bill would expand the applicability of work requirements for able bodied adults.

However, many conservatives may be concerned that the bill would keep in place significant waivers and exemptions that would reduce the potential effectiveness of the reforms made by the bill. The bill would allow for waivers in areas of “high” unemployment, which could include areas with unemployment as low as six percent. The bill would also allow states to exempt up to 15 percent of individuals not already provided with a waiver or other exemption from the work requirements. Many conservatives may be concerned by the concept of waiving work requirements, particularly for individuals in those areas that need assistance moving back into the workforce.

According to analysis of the bill by the [Heritage Foundation](#), “of the 10 million work-capable food stamp recipients who are unemployed or work less than 20 hours per week, H.R. 2 would require only 2.1

million (or 20 percent) to work or prepare for work,” due to the exemptions and waivers provided by the bill.

**SNAP Employment and Training:** The bill would significantly increase funding for employment and training programs, from \$110 million under current law to \$1 billion annually. Many conservatives will be concerned by the massive increase to mandatory spending under this provision. The funding level proposed by the bill is 900% higher than what is provided under current law.

**Expansion of SNAP Benefits:** Some conservatives may be concerned that the bill includes several provisions that would expand the availability of SNAP benefits, including by increasing the earned income deduction, increasing asset test limits, and by requiring states to provide five months of transitional SNAP benefits (eliminating the state option).

**SNAP Health Food Bonus Subsidy:** Some conservatives may be concerned the bill would also create a program to subsidize retail food stores that provide SNAP beneficiaries bonuses for purchasing health foods. Some conservatives may be concerned that despite this pilot program, SNAP would still subsidize the purchase of unhealthy foods. According to a [study](#) for the Department of Agriculture of SNAP purchases, “20 cents out of every dollar was spent on sweetened beverages, desserts, salty snacks, candy and sugar.” The [RSC Budget](#) proposed restricting the types of food that can be purchased using SNAP benefits.

**Commodity Subsidies:** Some conservatives may be 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 conservatives have expressed that this goes against free-market principles, and conservative thought, in which minimal government interference and the decisions of the consumer are the ultimate determining factors in economic activity.

Many conservatives may be concerned 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.

Some conservatives may be concerned regarding the “supply management” dairy program. Some conservatives believe 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.

Some conservatives may be concerned with the cost of the legislation’s three main types of support for crops: Price Loss Coverage (PLC) payments; Agriculture Risk Coverage (ARC) payments; Marketing Assistance Loans (MALs), resulting in an increase in direct spending for commodity subsidy programs.

Some conservatives may be concerned that the bill would expand the definition of family members and exempted LLCs and S Corporations from limits on subsidy payments so that more individuals will be able to claim subsidies if they claim an interest in a farm.

**Crop Insurance Subsidies:** Some conservatives may be concerned that the bill does not reform the Federal Crop Insurance Program. Under this program, farmers only pay about 38 percent of premiums for crop insurance, with the taxpayers picking up the remaining 62 percent. While the insurance policies are offered by private companies, the federal government reimburses them for administrative costs and

reinsures them to guarantee against losses. Under [President's Trump budget](#), average premium subsidy for crop insurance would be lowered from 62 percent to 48 percent.

**Conservation:** Some conservatives may be concerned that the legislation contained an increase in annual funding for the Environmental Quality Incentives Program (section 2302) from \$1.8 billion per year under current law to \$3.0 billion per year by 2023, for a total increase in spending of \$7.7 billion over the 10-year period, according to CBO.

Conservatives would be pleased that the bill would repeal the Conservation Stewardship Program beginning 2019, which would reduce spending by \$12.6 billion over the 2019-2028 period according to CBO.

**Trade:** While some conservatives may be pleased with the removal of “monetization”, some conservatives may be concerned that the bill does not remove U.S. procurement requirements for agricultural commodities within the Food for Peace Act, making the delivery of food assistance more cumbersome and inefficient.

**Energy Subsidies:** Some conservatives may be pleased that some energy subsidy programs in the bill are moved to being funded by discretionary appropriations rather than by mandatory spending. However, many conservatives may be concerned that the bill would include significant funding for a variety of energy subsidy programs.

**Regulatory Relief:** Many conservatives may be pleased that the bill would provide important regulatory relief for farmers. Some conservatives may be concerned that the bill fails to address the Waters of the U.S. (WOTUS) regulation from the EPA.

**Cost:** Many conservatives may be concerned that the bill increases mandatory spending and spending subject to appropriation. With the national debt climbing above \$21 trillion, many conservatives believe it is vital that House Republicans fulfill their promises to rein in the size and scope of government and control spending.

- **Expand the Size and Scope of the Federal Government?** Yes, the bill would expand the SNAP program and several farm subsidy programs, while creating a number of new programs.
- **Encroach into State or Local Authority?** Many conservatives may believe many of the programs in the bill would be more appropriately handled by state and local governments, or by civil society and the private sector.
- **Delegate Any Legislative Authority to the Executive Branch?** The bill would delegate legislative authority to the Executive Branch for implementation of reforms to SNAP.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No, according to the [Committee Report](#).

## DETAILED SUMMARY AND ANALYSIS:

A section-by-section, and summary from the House Agriculture Committee can be found [here](#) and [here](#), respectively. A series of fact sheets from the committee can be found [here](#). The House Report (H. Rept. 115-661) accompanying H.R. 2 can be found [here](#). Highlights of the major provisions of note are included below:

- [Title I: Commodities](#)
- [Title II: Conservation](#)
- [Title III: Trade](#)
- [Title IV: Nutrition](#)
- [Title V: Credit](#)
- [Title VI: Rural Infrastructure and Economic Development](#)
- [Title VII: Research, Extension, and Related Matters](#)
- [Title VIII: Forestry](#)
- [Title IX: Horticulture](#)
- [Title X: Crop Insurance](#)
- [Title XI: Miscellaneous](#)

### **Title I: Commodities**

Title I covers the vast majority of agricultural programs in the Farm Bill to include Department of Agriculture adjustments to base acres for specified commodities, as well as payment yields to a farm for specified commodities in order to compensate price loss. The title provides three main types of support for crops:

- Price Loss Coverage (PLC) payments, are triggered when the national average farm price for a covered commodity is below its statutorily fixed “reference price”;
- Agriculture Risk Coverage (ARC) payments, as an alternative to PLC, which are triggered when crop revenue is below its guaranteed level based on a multiyear moving average of historical crop revenue;
- Marketing Assistance Loans (MALs), which offer interim financing for the loan commodities (covered crops plus several others) and, if prices fall below loan rates set in statute, additional low-price protection.

A report from the Congressional Research Service (CRS) on U.S. Farm Commodity Support Programs can be found [here](#).

#### **Commodity Policy:**

Section 1111 would define the term “reference price”, with respect to a covered commodity for a crop year, to mean the following: for wheat, \$5.50 per bushel; for corn, \$3.70 per bushel; for grain sorghum, \$3.95 per bushel; for barley, \$4.95 per bushel; for oats, \$2.40 per bushel; for long grain rice, \$14.00 per hundredweight; for medium grain rice, \$14.00 per hundredweight; for soybeans, \$8.40 per bushel; for other oilseeds, \$20.15 per hundredweight; for peanuts, \$535.00 per ton; for dry peas, \$11.00 per hundredweight; for lentils, \$19.97 per hundredweight; for small chickpeas, \$19.04 per hundredweight; for large chickpeas, \$21.54 per hundredweight; and for seed cotton, \$0.367 per pound.

Section 1112 would require the Secretary of Agriculture to provide an adjustment in the base acres for covered commodities for a farm if: a conservation reserve contract with respect to the farm expires or is voluntarily terminated; cropland is released from coverage under a conservation reserve contract by the department; or the producer has eligible oilseed acreage as the result of the Secretary designating additional [oilseeds](#). For the crop year in which a base acres adjustment is first

made, the owner of the farm shall elect to receive price loss coverage or agriculture risk coverage with respect to the acreage added to the farm or a prorated payment under the conservation reserve contract, but not both.

If the sum of the base acres for a farm and the acreage exceeds the actual cropland acreage of the farm, the Secretary shall reduce the base acres for 1 or more covered commodities for the farm so that the sum of the base acres and the acreage does not exceed the actual cropland acreage of the farm.

The section would authorize an owner of a farm to reduce the base acres for any covered commodity for the farm at any time.

Section 1113 would authorize the Secretary of Agriculture to establish payment yields for each farm for any designated oilseed that does not already have a payment yield. In the case of designated oilseeds, the payment yield would be equal to 90 percent of the average of the yield per planted acre for the most recent five crop years, determined by the Department, excluding any crop year in which the acreage planted to the covered commodity was zero.

If no payment yield is otherwise established for the covered commodity on the farm, the Secretary of Agriculture would be authorized to establish an appropriate payment yield for the covered commodity on the farm.

The section would authorize the owner of a farm to have a 1-time opportunity to update the payment yield, on a covered commodity-by covered-commodity basis that would otherwise be used in calculating any price loss coverage payment for each covered commodity on the farm for which the election is made, if the farm is physically located in a county in which an exceptional drought occurred. If the owner of a farm elects to update yields, the payment yield for covered commodities on the farm, for the purpose of calculating price loss coverage payments only, would be equal to 90 percent of the average of the yield per planted acre for the crop of covered commodities on the farm for the 2013 through 2017 crop years.

Section 1114 would reauthorize the payment acres for each covered commodity on a farm, equal to 85 percent of the base acres for the covered commodity on the farm. The section would prohibit a producer on a farm from receiving price loss coverage payments or agriculture risk coverage payments if the sum of the base acres on the farm is 10 acres or less, unless the sum of the base acres on the farm, when combined with the base acres of other farms in which the producer has an interest, is more than 10 acres. The section further authorizes exemptions for socially disadvantaged or limited resource farmers or ranchers. The section would state that payment acres on a farm 10 would be reduced in any crop year in which fruits, vegetables (other than mung beans and pulse crops), or wild rice have been planted on base acres on a farm. In the case of price loss coverage payments and agricultural risk coverage payments, the reduction would be the amount equal to the base acres planted to crops referred to in such paragraph in excess of 15 percent of base acres. No reduction would be made if cover crops are grown solely for conservation purposes and not harvested for use or sale, or in any region in which there is a history of double-cropping covered commodities.

Section 1115 would direct all of the producers on a farm for the 2019 through 2023 crop years to make a 1-time, irrevocable election to obtain on a covered-commodity-by-covered-commodity basis: price loss coverage; or agriculture risk coverage. If all the producers on a farm fail to make a unanimous election for the 2019 crop year, the Secretary of Agriculture would not make any payments to the farm for that crop year.

Section 1116 would direct the Department of Agriculture to make price loss coverage (PLC) payments to producers on a farm if all of the producers on a farm make the election to obtain price loss coverage, on a covered-commodity-by-covered-commodity basis if the Department determines that, for any of the 2019 through 2023 crop years, the effective price for the covered commodity for the crop year; is less than the effective reference price for the covered commodity for the crop year.

The section determines the effective price for a covered commodity for a crop year to be the higher of the marketing year average price; or the national average loan rate for a marketing assistance loan for the covered commodity in effect for such crop year. The section would determine how the payment rate is calculated. The payment rate would be equal to the difference between the effective reference price for the covered commodity; and the effective price for the covered commodity. If price loss coverage payments are required to be provided for any of the 2019 through 2023 crop years for a covered commodity, the amount of the price loss coverage payment to be paid to the producers on a farm for the crop year would be equal to the product obtained by multiplying the payment rate; the payment yield; and the payment acres for the covered commodity.

In determining the effective price for barley, the Department would be required to use the all-barley price. In order to reflect price premiums, the Department would be directed to provide a reference price with respect to temperate japonica rice in an amount equal to the amount specified in the bill multiplied by the ratio obtained by dividing: the simple average of the marketing year average price of medium grain rice from the 2012 through 2016 crop years; by the simple average of the marketing year average price of all rice from the 2012 through 2016 crop years.

According to CBO, this section would increase outlays by \$235 million over the FY 2019 – 2023 period and by \$408 million over the FY 2019 – 2028 period. According to CBO, “because of recent market prices and yields and program changes in the bill, CBO expects most producers to choose PLC... The bill would modify the calculation of PLC benefits and redefine the reference price to allow an escalation during periods of relatively high historical commodity prices.”

Section 1117 would direct the Secretary of Agriculture to make agriculture risk coverage (ARC) payments to producers on a farm, if all of the producers on a farm make the election to obtain agriculture risk coverage, and if for any of the 2019 through 2023 crop years, the actual crop revenue for the crop year is less than the agriculture risk coverage guarantee for the crop year. The section would determine how the amount of crop revenue would be calculated. The amount of the actual crop revenue for a county for a crop year of a covered commodity would be equal to the product obtained by multiplying the actual average county yield per planted acre for the covered commodity and the higher of the marketing year average price; or the national average loan rate for a marketing assistance loan for the commodity.

The agriculture risk coverage guarantee for a crop year for a covered commodity would equal 86 percent of the benchmark revenue.

The section would also set how the benchmark revenue is calculated. If the yield per planted acre for the covered commodity or historical county yield per planted acre for any of the most recent crop years is less than 70 percent of the transitional yield, the amounts used for any of those years would be 70 percent of the transitional yield. If the marketing year average price for any of the 5 most recent crop years is lower than the reference price for the covered commodity, the Department would be mandated to use the reference price for any of those years for the amounts. The payment rate for a commodity in a county would be equal to the lesser of the amount that the agriculture risk coverage

guarantee for the crop year exceeds; the actual crop revenue for the crop year; or 10 percent of the benchmark revenue for the crop year. If the Secretary of Agriculture determines that agriculture risk coverage payments are required to be provided for the covered commodity, payments would be made beginning October 1, or as soon as practicable, after the end of the applicable marketing year for the covered commodity. The section would set how agriculture risk coverage payments are calculated by multiplying the payment rate for the covered commodity; and the payment acres for the covered commodity.

The section would direct the Secretary of Agriculture to: use all available information and analysis, including datamining, to check for anomalies in the determination of agriculture risk coverage payments; calculate a separate actual crop revenue and agriculture risk coverage guarantee for irrigated and nonirrigated covered commodities; assign an actual or benchmark county yield for each planted acre for the crop year for the covered commodity make payments, as applicable, to producers using the payment rate of the county of the physical location of the base acres of a farm.

According to CBO, this section would reduce outlays by \$88 million over the FY 2019 – 2023 period and by \$254 million over the FY 2019 – 2028 period.

Section 1118 would require the producers to agree in exchange for the payments: to comply with applicable conservation and wetland protection requirements in the bill; to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices; and to use the land on the farm, in a quantity equal to the attributable base acres for the farm and any base acres for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use. The Secretary of Agriculture would be directed to provide for the sharing of payments among the producers on a farm on a fair and equitable basis.

Many conservatives may be concerned the bill fails to eliminate or reform the commodity subsidy programs. Under current law, the ARC and PLC programs are projected to cost [nearly \\$20 billion more](#) than originally projected when the programs were created in the 2014 Farm Bill.

### **Marketing Loans:**

H.R. 2 would authorize nonrecourse loans for each crop years 2019 through 2023 for the following crops: wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, 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. As a condition of the receipt of a marketing assistance loan, the producer would be required to comply with applicable conservation and wetland protection requirements in law.

Producers of peanuts would be authorized to obtain a marketing assistance loan, and loan deficiency payments at the option of the producers on a farm through a designated marketing association or marketing cooperative of producers that is approved by the Department of Agriculture; or the Farm Service Agency. As a condition on the approval of an individual or entity by the Secretary of Agriculture to provide storage for peanuts for which a marketing assistance loan is made, the individual or entity would agree to provide the storage on a nondiscriminatory basis; and to comply with such additional requirements as the Secretary considers appropriate. The Secretary would be directed to pay handling and other associated costs (other than storage costs) incurred at the time at



which the peanuts are placed under loan, and would require the repayment of handling and other associated costs paid for all peanuts pledged as collateral for a redeemed loan.

Section 1202 would determine for purposes of each of the 2019 through 2023 crop years, the loan rate for a marketing assistance loan for a loan commodity to be equal to the following: for wheat, \$2.94 per bushel; for corn, \$1.95 per bushel; for grain sorghum, \$1.95 per bushel; for barley, \$1.95 per bushel; for oats, \$1.39 per bushel; for base quality of upland cotton, the simple average of the adjusted prevailing world price for the two immediately preceding marketing years, determined by the Secretary and announced October 1 preceding the next domestic planting. The provision would also determine the loan rate for various covered commodities to include extra-long staple cotton, long grain rice, soybeans, other oilseeds, dry peas, lentils, small chickpeas, large chickpeas, graded and nongraded wool, mohair, honey, and peanuts. These loans shall be for a term of nine months, with no extensions. The legislation sets certain repayment provisions that, according to the Committee, are the same as under current law. The provision would permit the producers on a farm to repay a marketing assistance loan for a loan commodity (other than upland cotton, long grain rice, medium grain rice, extra-long staple cotton, peanuts and confectionery and each other kind of sunflower seed at a rate that is the lesser of the established loan rate for the commodity, plus interest; at a rate, determined by the Department, that is calculated based on average market prices for the loan commodity during the preceding 30-day period; and would minimize discrepancies in marketing loan benefits across State and county boundaries; or under other specified conditions.

Section 1205 would authorize loan deficiency payments for 2019 through 2023 crop years to be made to producers that agree to forgo the commodity loan in return for the deficiency payment. According to [CRS](#), loan deficiency payments (LDP) are available to producers who agree to forego marketing loans. LDP computed by multiplying the payment rate (the amount that the loan rate exceeds the rate at which a marketing loan may be repaid) for the commodity times the quantity of the commodity produced. Nongraded wool in the form of unshorn pelts and hay and silage derived from a loan commodity would not be eligible for a marketing assistance loan. Effective for each of the 2019 through 2023 crop years, the Secretary may make loan deficiency payments available to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity. The provision would also set the computation and payment rate for the LDP. The provision would not apply with respect to extra-long staple cotton. A primer from CRS on the Marketing Assistance Loan (MAL) program can be found [here](#).

Section 1206 would direct the Department to make a payment to an eligible wheat, barley, or oats producer for a loan deficiency payment, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, if the producer enters into an agreement with the Department to forgo any other harvesting of the specified covered commodities on that acreage. The provision would also stipulate how the payment is calculated.

#### **Cotton:**

Section 1207 would authorize the President to carry out an import quota program for upland cotton beginning on August 1, 2019. The quota would be equal to the consumption during a 1-week period of cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data. The legislation would also authorize economic adjustment assistance to users of upland cotton. The value of the assistance provided would be 3.15 cents per pound.

Section 1208 would authorize a special program through July 31, 2024, 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, 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 [section-by-section](#) from the Committee, this is the same authorization as current law.

Section 1209 would continue to authorize recourse loans for each of the 2019 through 2023 crops of corn and grain sorghum, to producers on a farm that normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state; present certified scale tickets from an inspected, certified commercial scale; certify that the producers on the farm were the owners of the feed grain at the time of delivery to a high-moisture storage facility, and comply with deadlines established by the Secretary of Agriculture for harvesting the corn or grain sorghum.

Section 1210 would authorize the Department to make appropriate adjustments in the loan rates for any loan commodity (other than cotton) for differences in grade, type, quality, location, and other factors. Adjustments would not result in an increase in the national average loan rate for any year. The Department would also be authorized to make adjustments in the loan rate for cotton for differences in quality factors, but not for long grain rice and medium grain rice, except for differences in grade and quality (including milling yields).

### **Sugar:**

Section 1301 would extend the [current](#) sugar program for sugarcane and sugar beets through crop year 2023. According to the [Department](#) “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. More information from CRS on the sugar program can be found [here](#) and [here](#). According to CRS, the sugar program “combines a price support feature with a supply management structure that limits both sugar production for domestic human use and imports.” Last fiscal year, Americans paid approximately [64.03 cents](#) per pound of refined sugar, while the world price, comprised of countries that are net exporters which often subsidize their producers, was approximately [21.54 cents](#) per pound.

The 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. According to [CRS](#), “the loans are made at statutory rates of 18.75 cents/lb for raw sugar cane and 24.09 cents/lb for refined beet, pledging sugar as the collateral against the loan. Additionally, according to [CRS](#), “loan forfeiture level represents all of the costs that processors need to offset to make it economically viable to repay the loan.” In doing so “the effective support level for the 2016 crop of raw cane sugar is 20.87 cents/lb and from 24.41cents to 26.09cents/lb for refined beet sugar, depending on the region.”

Marketing 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. According to [CRS](#), “the OAQ is divided between the beet and cane sectors and is then allocated among processors based on previous sales and processing capacity. Any shortfalls between the OAQ and what processors are able to supply may be reassigned

to imports. Such shortfalls have been a regular feature of the sugar program, averaging 29% of U.S. sugar consumption between FY2014 and FY2016.” Accordingly, from FY2014 to FY2016, “domestic production of sugar has met about 71% of U.S. food use of sugar on average.”

The United States additionally imposes tariff-rate quotas on sugar imports in order to meet total food demand. From FY2014 through FY2016, imports accounted for 29% of U.S. sugar consumption. Commitments with the World Trade Organization (WTO) require that the U.S. allow at least 1.410 million tons of imported sugar into the market annually. Free trade agreements with Colombia and various Central American countries (CAFTA-DR) require that the U.S. allow at least 59 million tons and 146 million tons respectively. 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. More information on the impact of U.S. trade policy on sugar can be found [here](#) from the Heritage Foundation.

*According to the [RSC's Fiscal Year 2019 Budget](#), “the federal government’s sugar program is one of the most egregious examples of crony capitalism and drives up costs for consumers. The program consists of both price supports and production limits for domestic sugar producers, as well as import restrictions and tariffs for imported sugar. Because of these restrictions, the price of domestic sugar is about twice that of the world market price. According to CBO, eliminating the sugar program would save \$76 million over ten years. However, the savings would be much greater for American consumers, and would come with the added benefit of restoring the efficiencies of free enterprise, competition, and individual choice to a large U.S market.”*

Many conservatives may be concerned the bill fails to reform or eliminate the sugar subsidy program.

The USDA also operates the Feedstock Flexibility Program (in title VI) in conjunction with the sugar program.

### **Dairy:**

Section 1401 would require the Department of Agriculture to submit a report to Congress evaluating the extent to which the average cost of feed used by a dairy operation to produce a hundredweight of milk calculated by the Department is representative of actual dairy feed costs; as well as a report detailing the costs incurred by dairy operation in the use of corn silage as feed and the difference between the feed cost of corn silage and the feed cost of corn; and requires the Secretary of Agriculture to revise monthly price survey reports to include prices for high-quality alfalfa hay in the top five milk producing States. The provision would allow the exclusion of certain individual owners in multiproducer dairy operations from registration, and a corresponding reduction in payments to their operations. This would apply to individual owners that hold less than a five percent ownership interest in the multiproducer dairy operation; or are entitled to less than five percent of the income, revenue, profit, gain, loss, expenditure, deduction, or credit of the multiproducer dairy operation for any given year.

Any dairy risk management payment made to the multiproducer dairy operation would be reduced by an amount equal to the greater of the following: the amount determined by multiplying the dairy risk management payment by the total percentage of ownership interests represented by the excluded owners; or the amount determined by multiplying the dairy risk management payment otherwise determined by the total percentage of the income, revenue, profit, gain, loss, expenditure, deduction, or credit of the multiproducer dairy operation represented by the excluded owners.

Section 1401 would further allow a dairy operation to participate in both the Dairy Risk Management Program and the livestock gross margin for dairy program, but not on the same production. [Section 1404\(d\) of the Agricultural Act of 2014](#) (7 U.S.C. 9054(d)) prohibited a dairy operation from participating in both programs. The provision would provide for the use of certain annual milk marketings to determine prior dairy operation production history till 2023. The production history of a participating dairy operation would continue to be based on annual milk marketings during the 2011, 2012, or 2013 calendar year notwithstanding the operation of the dairy risk management program through 2023. The provision would further provide for the election of coverage level thresholds and coverage percentage for each participating dairy operation to be used to determine dairy risk management payments. Additionally, it would set premiums for participation in the dairy risk management program.

The provision would rename Dairy Producer [Margin Protection Program](#) (MPP) to the Dairy Risk Management Program. The Secretary of Agriculture would 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 would calculate the national average feed cost for each month, and 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 original margin protection program was created in the Agricultural Act of 2014 and provides for an income support program based on the margin (or monthly difference) between the [national average all-milk price](#) and a formula-derived estimate of feed costs. According to [CRS](#), payments under the program “are based on farm-level production history and a producer-selected coverage level that ranges from 25% to 90% of production—the product of these two items yields the covered production history (CPH).” According to [CRS](#), “producers must pay an annual administrative fee of \$100 for each participating dairy operation and a premium that rises steadily with higher margin protection levels, starting at the \$4.50/cwt margin level. The minimum \$4.00/cwt margin (considered catastrophic) is fully subsidized and has no farmer-paid premium.” According to [CRS](#), the effectiveness of the program has come into question, stating that, “since MPP was implemented, the margin has remained mostly above \$8.00/cwt (Figure 3). In 2015 and 2016, milk producers paid almost \$96 million in administrative fees and premiums and received about \$12 million in MPP payments. Given expected milk and feed prices through 2018, the margin is expected to remain above \$8.00/cwt, again resulting in no MPP payments. As a result, 93% of dairy operations shifted coverage to the \$4.00/cwt level in 2017, up from 44% in 2015. Many producers are dissatisfied with the program. Preliminary U.S. Department of Agriculture (USDA) data indicate that many have not selected a coverage level, which is reflected in lower enrollment in 2017. In addition, on August 31, 2017, when MPP enrollment and coverage selection opened for 2018, USDA announced that producers could opt out of MPP.”

Section 1402 would set out the formula for determining the prices for milk of the highest use classification for Class I milk. the Class I skim milk price per hundredweight would be the sum of the adjusted Class I differential specified in current law, plus the adjustment to Class I prices specified in current law, plus the simple average of the advanced pricing factors computed in current law plus \$0.74.

Section 1403 would extend the [Dairy Forward Pricing Program](#) through 2023 (for entering contracts) 2026 (for extending contracts). 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.

Section 1404 would extend the [Dairy Indemnity Program](#) through 2023. 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.

Section 1405 would extend the Dairy Promotion and Research Program through 2023. The Dairy Promotion and Research Programs are funded by a 15 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.

Section 1406 would repeal the [dairy product donation program](#). The program addresses low margins for dairy operations by using Commodity Credit Corporation (CCC) funds to purchase dairy products for donation to public and private nonprofit organizations that provide nutrition assistance to low-income populations.

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.

More information on dairy provisions in the previous 2014 Farm Bill can be found [here](#) from CRS.

*According to the [RSC's Fiscal Year 2019 Budget](#), "the U.S. dairy market is a complex tangle of subsidies and price supports." Even the market for a commodity as basic as milk is not free from massively inappropriate government interference. The 2014 Farm Bill established two new programs, the Margin Protection Program (MPP) and the Dairy Product Donation Program (DPDP), which respectively makes payments to farmers when margins fall below certain amounts and requires the government to purchase and distribute dairy products when margins fall below a certain level. Additionally, there are a number of other dairy subsidy programs, including the Livestock Gross Margin for Dairy Cattle program (LGM-D), Dairy Import Tariff Rate Quotas (TRQs), and milk marketing orders. Further, the 1949 Dairy Price Support Program remains permanent law, which will once again create a "milk cliff" when the MPP expires at the end of 2018. This central planning does not work, as proven by the USDA being forced to purchase \$30 million worth of dairy products to alleviate a "cheese glut". Instead, the milk market should be governed by the common sense laws of supply and demand. In addition to benefiting consumers and producers alike, eliminating federal dairy subsidy programs will save taxpayers \$749 million over the next decade. Once again, the private market is more than capable of providing the risk-mitigation benefits claimed by dairy program supporters without foisting speculative risk onto taxpayers."*

Section 1501 would expand the livestock indemnity program to cover death or sale loss as a result of diseases that are caused or transmitted by a vector and that is not able to be controlled by vaccination or other acceptable management practices. The provision would additionally eliminate the payment limitation of \$125,000 per crop year for Emergency Assistance for Livestock, Honey Bees, and Farm Raised-Fish, and would exclude a person or legal entity from the adjusted gross income (AGI) limitation if 75 percent or more of the average adjusted gross income of the person or legal entity comes from farming, ranching, or silviculture (cultivation of trees).

Section 1601 would authorize the Department of Agriculture to use funds and facilities of the Commodity Credit Corporation to carry out the title. A determination made by the Secretary under this title would be final and conclusive.

Section 1602 would continue the suspension of permanent price authority in the [Agriculture Marketing Adjustment Act of 1938](#) and the [Agricultural Act of 1949](#). The provision would continue to suspend quota provisions related to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938.

Section 1603 would limit the total amount of payments a person or a legal entity can receive to \$125,000, but would extend the definition of family member eligible to receive assistance to include first cousins, nieces, and nephews. Under current law, only siblings and spouses are included in the definition. The provision would redefine the term 'qualified pass through entity' to mean a partnership (within the meaning of [subchapter K of chapter 1 of the Internal Revenue Code of 1986](#) and including a limited liability company that does not affirmatively elect to be treated as a corporation), an S corporation (as defined in section 1361 of such Code), or a joint venture.

*Many conservatives may be concerned that the effect of this provision is to expand the number of individuals eligible for subsidy payments.*

Section 1604 would apply adjusted gross income limitation to either the individual or entity, depending on where taxable revenue is recognized. This provision would also grant the Secretary the authority to provide a waiver to the adjusted gross income limitation to protect environmentally sensitive land of special significance on a case-by-case basis.

Section 1605 would direct the Secretary at least twice each year, to reconcile Social Security numbers of all individuals who receive payments under this title, whether directly or indirectly, with the Commissioner of Social Security to determine if the individuals are alive, and would preclude the issuance of payments to, and on behalf of, deceased individuals that were not eligible for payments.

Section 1606 would allow a producer who receives a payment under the title to assign the payment to someone else after proper notice to the Secretary. The producer would be mandated to provide the Secretary with notice, in such manner as the Secretary may require, of any reassignment.

Section 1607 would authorize the Secretary to track the benefits provided directly or indirectly, to individuals and entities under titles I and II and the amendments made by those titles.

Section 1608 would stipulate that if the Secretary approves a document, the Secretary would not subsequently determine the document is inadequate or invalid because of the lack of authority of any person signing the document on behalf of the applicant or any other individual, entity, or qualified pass through entity or the documents relied upon were determined inadequate or invalid, unless the person signing the program document knowingly and willfully falsified the evidence of signature authority or a signature.

Section 1610 would direct the Secretary to maintain, for each covered commodity, base acres and payment yields on a farm. the Secretary would continue to reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements, including through the continuation of the [Acreage Crop Reporting and Streamlining Initiative](#) that would ensure that a producer (or an agent of a producer) may report information,

electronically (including geospatial data) or conventionally, to the Department; continue to improve coordination, information sharing, and administrative work with the [Farm Service Agency](#), Risk Management Agency, and the Natural Resources Conservation Service; continue to take advantage of new technologies to enhance efficiency and effectiveness of program delivery to producers; and reduce administrative burdens on producers by offering such producers an option to remotely and electronically sign annual contracts for participation in coverage. The provision would require the Secretary to make \$25 million available to the Farm Service Agency to carry out this title.

Section 1611 would define the term “exempted producer” to mean a producer or landowner eligible to participate in any conservation or commodity program administered by the Secretary.

## **Title II: Conservation**

Title II reauthorizes or amends a series of programs that encourage farmers and ranchers to voluntarily implement resource-conserving practices on private land to include the Conservation Reserve Program (CRP), wetland conservation efforts, and the extension of the Environmental Quality Incentives Program (EQIP). The legislation extends the programs through fiscal year 2023. These programs provide 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.

Section 2101 would amend [section 1221\(d\) of the Food Security Act of 1985](#) by directing the Secretary of Agriculture to determine that no exemption [under section 1222 of the Food Security Act of 1985](#) exists before determining Wetland Conservation program ineligibility.

Section 2102 would authorize \$10 million in Commodity Credit Corporation funds in fiscal year 2019, to remain available until expended for the Wetland Conservation Program. The provision would further authorize \$5 million each of the years 2019 through 2023 for the establishment of mitigation banks for conservation compliance.

Section 2201 would reauthorize the [conservation reserve program](#) through FY 2023. 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 provision would increase the total program enrollment cap from 24 million acres to 29 million acres by the end of 2023 by increasing the cap 1 million acres per year. To the maximum extent practicable, the Secretary would maintain in the conservation reserve at any one time during fiscal year 2019, 1 million acres; fiscal year 2020, 1.5 million acres; fiscal year 2021, 2 million acres; fiscal year 2022, 2.5 million acres; and fiscal year 2023, 3 million acres. The provision would reserve unused grassland acres solely for grassland enrollment. The Secretary would enroll and maintain acreage in the conservation reserve in accordance with historical State enrollment rates, considering the average number of acres of all lands enrolled in the conservation reserve in each State during each of fiscal years 2007 through 2016; the average number of acres of all lands enrolled in the conservation reserve nationally during each of fiscal years 2007 through 2016; and the acres available for enrollment during each of fiscal years 2019 through 2023.

*The [RSC's budget](#) has called for prohibiting new enrollments in the conservation reserve program. “This would save more than \$3 billion over ten years, according to the CBO.” The budget states that “demand for enrollment in CRP has declined steadily over recent years.”*

Section 2202 would extend the [Farmable Wetlands Program](#) through 2023. The program encourages farmers to restore previously farmed wetlands and wetland buffer to improve vegetation and water flow. The provision would remove the wildlife buffer acreage ratio requirement for wetland buffers. An owner or operator may enroll in the conservation reserve, with buffer acreage that is contiguous to such land; is used to protect such land; and is of such width as the Secretary determines is necessary to protect the land, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the surrounding cropland. The provision would reduce the acreage cap for farmable wetland enrollment from 750,000 to 500,000 acres and removes discretionary authority for the Secretary to increase the cap by 200,000.

Section 2205 would reduce practice and measure establishment cost share from 50 percent to no more than 40 percent, and limits the cost share for the seed component of the cover establishment to 25 percent of the seed cost. The provision would place a cap on any incentive payments for installing practices to not exceed the actual cost of the practice, and would prevent the Secretary from making a cost-share payment when grazing is used as a mid-contract management practice. The provision would require agreements with States for the [Conservation Reserve Enhancement Program](#) to limit the program cost share to 50 percent of the agreement.

Section 2206 would allow the transition of land to beginning farmer or rancher (BFR) buyers of enrolled acreage to prepare land for crop use; to provide extended time for entry [into Organic Foods Production Act of 1990](#) certification; and to ensure the Secretary provides technical and financial assistance to assist the BFR in transitioning the enrolled acreage through a conservation plan.

Section 2302 would reauthorize the [environmental quality incentives program](#) (EQIP) through fiscal year 2023. 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. For each of fiscal years 2014 through 2023, at least 5 percent of the funds made available for payments under the program would be targeted at practices benefitting wildlife habitat. The provision repeals the requirement of 60 percent of authorized funding for livestock production. The provision would authorize new stewardship contracts of 5 to 10 year term within EQIP for the purposes of payments for stewardship practices that address locally established priority resource concerns. The section would further create a payment limitation for a person or entity of \$50,000 for any fiscal year. The section would provide for use of no more than 50 percent of the EQIP appropriations for these payment contracts.

According to CBO, this provision would increase outlays by \$2.092 billion over the FY 2019 – 2023 period and by \$7.693 billion over the FY 2019 – 2028 period.

Section 2303 would include a payment cap for individuals and legal entities of \$450,000 for all contracts entered into under the program for the period of fiscal years 2019 through 2023.

Section 2304 would limit the amount of EQIP funds used for conservation innovation grants at not more than \$25 million for each fiscal year, 2019 through 2023, and would increase the Air Quality Concerns from Agriculture set aside to \$37.5 million each fiscal year 2019 through 2023. The provision would authorize the Secretary of Agriculture to use up to \$25 million of EQIP funds for each fiscal year 2019 through 2023 to enter into agreements for on-farm conservation innovation trials.



Section 2401 would reauthorize \$60 million a year through fiscal year 2023 for Conservation of Private Grazing Land program. 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.”

Section 2402 would authorize \$20 million for the grassroots source water protection program at the current level of each year through fiscal year 2023. The legislation also makes available \$5 million 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.

Section 2403 would authorize \$50 million for the voluntary public access and habitat incentive program for fiscal years 2019 through 2023. 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 Farm Service Agency. The 2014 Farm Bill authorized \$30 million for each fiscal year 2014 through 2018.

Section 2404 would reauthorize \$85 million for the small watershed rehabilitation program through fiscal year 2023. The [Watershed Rehabilitation Program](#) provides funding and assistance to dam projects constructed over the Watershed and Flood Prevention Operations program. The Secretary would make available \$100 million in mandatory money of funds from the Commodity Credit Corporation for each of fiscal years 2019 through 2023, to remain available until expended.

Section 2405 would establish a feral swine eradication and control pilot program to respond to the threat feral swine pose to agriculture, native ecosystems, and human and animal health. The Federal share of the costs activities under the pilot program would not exceed 75 percent of the total costs. The Secretary would allocate \$100 million in mandatory money of funds from the Commodity Credit Corporation for each of fiscal years 2019 through 2023, to remain available until expended. The provision would distribute the funding at 50 percent to each agency (Animal and Plant Health Inspection Service and Natural Resources Conservation Service) and the scope of their work, and limit the use of these funds to no more than 10 percent for administrative expenses associated with the pilot project.

Section 2406 would direct the Secretary to give the agricultural producer the option of receiving the payment for repairing and replacing fencing related to wildfires or hurricanes, determined based on the applicable percentage of the fair market value of the cost of the repair or replacement before the agricultural producer carries out the repair or replacement. The maximum cost-share payment would not exceed 75 percent of the total allowable cost.

Section 2501 would authorize and amend funding levels for title II programs:

Conservation Reserve Program tree thinning incentive	\$10,000,000 through fiscal year 2023
Conservation Reserve Program Transition Incentive Program	\$33,000,000 through fiscal year 2023
Agriculture Conservation Easement Program (ACEP)	\$500,000,000 each fiscal year through 2023
Environmental Quality Incentives Program (EQIP)	\$2,000,000,000 for fiscal year 2019; \$2,500,000,000 for fiscal year 2020; \$2,750,000,000 for fiscal year 2021; \$2,935,000,000 for fiscal year 2022; \$3,000,000,000 for fiscal year 2023.

The provision would repeal funding for the conservation security program and would authorize funding to carry out prior conservation stewardship contracts. The provision would authorize the use, to the maximum extent practicable, of five percent of EQIP funds for beginning farmers or ranchers, and five percent for socially disadvantaged farmers or ranchers.

Section 2603 would require the Secretary to adjust ranking and evaluation criteria for applications for agricultural land easements in order to account for geographic differences among states, as long as such adjustments continue to meet the purpose of the program and maximize the benefit to the Federal investment. The provision would eliminate the requirement for an agricultural land easement plan, but would allow the Secretary to require a conservation plan only for highly erodible land. The provision would limit the Secretary's ability to require a refund after a violation of the terms and conditions of the agricultural land easement only in the case of fraud or negligence.

Section 2604 would add a grazing management plan modified as necessary, at least every five years as a qualifying criteria for reservation of grazing rights consistent with the wetland reserve easement plan.

Section 2702 would allow for regional conservation partnership agreements to exceed five years if it is necessary to have a longer agreement in order to meet the objectives of the program. The 2014 Farm Bill created the Regional Conservation Partnership Program, combining the Agricultural Water Enhancement Program, the Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiatives (CCPI) Program, and the Great Lakes Basin Program which were repealed.

Section 2704 would authorize \$250 million of the mandatory funds from the Commodity Credit Corporation available each fiscal year from 2019 through 2023 to carry out the program.

According to CBO, this provision would increase outlays by \$558 million over the FY 2019 – 2023 period and by \$1.308 billion over the FY 2019 – 2028 period.

Section 2801 would repeal the conservation security program and the conservation stewardship program. The conservation stewardship program encouraged agricultural producers to adopt more environmentally sustainable practices on their working land.

According to CBO, this provision would reduce outlays by \$3.653 billion over the FY 2019 – 2023 period and by \$12.618 billion over the FY 2019 – 2028 period.

*The [RSC's budget](#) has called for the prohibition of new enrollment in the Conservation Stewardship Program. "The Conservation Stewardship Program (CSP) encourages agricultural producers to adopt more environmentally sustainable practices on their working land. This program subsidizes agricultural producers to use conservation techniques that many have already adopted as best practices, interfering with the free market. This budget would prohibit new enrollments in CSP and allow the natural incentives to determine the conservation techniques that provide long-term value for farm owners. Land that is currently enrolled in CSP would continue to be eligible to receive payments until the contract expires. The National Commission on Fiscal Responsibility and Reform targeted this program as one that needs reform. The reform recommended by this budget would save more than \$8 billion over ten years, according to the CBO."*

Section 2802 would repeal the [desert terminal lakes program](#).

### **Title III: Trade**

Title III reauthorizes a series of agricultural programs that seek to develop overseas markets for U.S. agricultural products and increase their export to include The Title III additionally covers U.S. food assistance programs including the Food for Peace Act and the McGovern-Dole International Food for Education and Child Nutrition Program.

#### **Food for Peace:**

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

Section 3002 would amend [section 202\(g\) of the Food for Peace Act](#) by requiring that agricultural commodities and other assistance would, to the extent practicable, be clearly identified with appropriate markings on the package or container of such commodities and food procured outside of the United States, or on printed material that accompanies other assistance, in the language of the locality in which such commodities and other assistance are distributed, as being furnished by the people of the United States of America.

Section 3003 would reauthorize \$4.5 million for food aid quality activities within the Food for Peace Act through fiscal year 2023.

Section 3004 would amend [section 203\(a\) of the Food for Peace Act](#) to provide the Administrator of U.S. Agency for International Development (USAID) discretion in the levels of local sales and strikes

section 203(b), the minimum level of local sales for non-emergency programs. The initial requirement called for USAID to permit private voluntary organizations and cooperatives to sell, in 1 or more recipient countries, or in 1 or more countries in the same region, an amount of commodities equal to not less than 15 percent of the aggregate amounts of all commodities distributed under non-emergency programs under this title for each fiscal year, to generate proceeds to be used as provided in the legislation.

Section 3005 would amend [section 204\(a\) of the Food for Peace Act](#) to reauthorize minimum levels of commodities available for emergency and non-emergency assistance through 2023. Under current law USAID must make a minimum of 2.5 million metric tons of agricultural commodities available for food distribution. Of that amount, USAID must make 1.875 million metric tons of agricultural commodities available for non-emergency food distribution through eligible organizations.

*The [RSC's budget](#) has called for the elimination of U.S. procurement requirements for agricultural commodities within the Food for Peace Act. By having these requirements, such food assistance would be subject to Cargo Preference For Food Aid (CPFA) requirements, “which “increased the overall cost of shipping food aid by an average of 23 percent, or \$107 million, over what the cost would have been had CPFA requirements not been applied from April 2011 through fiscal year 2014” according to the [Government Accountability Office \(GAO\)](#), and has resulted in an additional \$140 million to \$200 million in wasted spending on shipping costs from January 2012 to May 2015 according to an [American Enterprise Institute](#) study. Former head of USAID, [Andrew Natsios](#) testified that “in the last ten years, the US government, through the Food for Peace program, has spent more on transporting, storing, and distributing the food to other regions of the world than on the food itself.”*

Section 3006 would extend Food Aid Consultative Group which reviews and addresses issues concerning the effectiveness of the regulations and procedures that govern food assistance programs until 2023.

Section 3008 would permit USAID to use up to 1.5 percent of the funds made available under Title II of the Food for Peace Act for the 2019 through 2023 fiscal years for monitoring of emergency food assistance, striking the previously authorized amount of \$17 million.

Section 3010 would amend [section 403\(a\) of the Food for Peace Act](#) to ensure that no modalities of assistance are distributed in a recipient country where distribution would create a substantial disincentive to, or interference with, domestic production or marketing, and would ensure that the distribution of food procured outside of the United States, food vouchers, and cash transfers for food will not have a disruptive impact on the farmers or local economy of a recipient country.

*This provision would eliminate “monetization” which forces the government to procure agricultural commodities from domestic sources, ship them overseas on US-flagged vessels and donate them to nongovernmental organizations, which in turn would sell the commodities in developing countries and use the proceeds to finance development programs. These programs severely restrict the intent of the program, increase costs for the taxpayer, and prevent aid efforts to millions of recipients in need. This provision was called for in the [RSC's budget](#).*

Section 3014 would require that for each of fiscal years 2019 through 2023, not less than \$365 million of the amounts made available to carry out emergency and nonemergency food assistance programs under title II, nor more than 30 percent of such amounts, would be expended for nonemergency food assistance programs.

Section 3015 would reauthorize the micronutrient fortification program until 2023.

Section 3016 would a minimum level of funding for the [John Ogonowski and Doug Bereuter Farmer-to-Farmer Program](#), of not less than the greater of \$15 million or 0.6% of amounts made available to carry out the Food for Peace Act for each fiscal year through 2023.

### **Market Access Programs:**

Section 3102 would amend [section 205 of the Agricultural Trade Act of 1978](#) to establish the International Market Development Program, a consolidation of the current Market Access Program, the Foreign Market Development Cooperator Program, the Technical Assistance for Specialty Crops Program, and the E. (Kika) De La Garza Emerging Markets Program.

*The [RSC's budget](#) called for the elimination of the Market Access Program (MAP) which “funds oversees marketing and promotion activities for U.S. agricultural products and commodities, in partnership with U.S. agricultural trade associations, cooperatives, state regional trade groups, and small businesses. While this is no doubt helpful to some businesses across the country, the federal government has no business subsidizing the advertising budgets of corporations. The National Commission on Fiscal Responsibility and Reform targeted this program as one that needs reforms.” It elimination would result in saving \$2 billion over ten years.*

The International Market Development Program would be established by the Department of Agriculture and the Commodity Credit Corporation to encourage the development, maintenance, and expansion of commercial export markets for United States agricultural commodities. The program would encourage the development, maintenance, and expansion of commercial export markets for United States agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program. A marketing plan approved by the Secretary may provide for the use of branded advertising to promote the sale of United States agricultural commodities in a foreign country. Assistance provided by the program to a United States agricultural trade association, cooperative, or small business may be used for individual branded promotional activity related to a United States branded product, if the beneficiaries of the activity have provided funds for the activity in an amount that is at least equivalent to the amount of Federally provided assistance.

The provision would repeal the Market Access Program, the Foreign Market Development Cooperator Program, the Export Assistance Program for Specialty Crops, and the Emerging Markets Program.

*The [RSC's budget](#) called for the repeal of “the Foreign Market Development Program (FMDP), also known as the Cooperator Program, used to help promote agricultural exports and provide nutritional and technical assistance to foreign consumers. Private industry already operates a program to promote agriculture exports overseas, and federal support for this program is inappropriate.” Eliminating the program would save \$350 million over ten years.*

*The [RSC's budget](#) has called for the repeal of the Specialty Crop Technical Assistance program which “provides subsidies to help export U.S. “specialty crops”, such as fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops. Eliminating this subsidy would save taxpayers \$80 million over ten years.”*

As one of the components of the International Market Development Program, the Secretary would be authorized to carry out an export assistance program to address existing or potential barriers that prohibit or threaten the export of United States specialty crops. The export assistance program would provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate existing or potential sanitary and phytosanitary and technical barriers to trade. The Secretary would be directed to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of such emerging markets, in order to develop, maintain, or expand export markets for United States agricultural commodities.

Of all available funds, not less than \$34.5 million would be used for the foreign market development cooperator component of the International Market Development Program; not more than \$9 million would be used for the specialty crops component; not more than \$10 million would be used to promote agricultural exports to emerging markets.

According to CBO, this provision would increase outlays by \$225 million over the FY 2019 – 2023 period and by \$450 million over the FY 2019 – 2028 period.

### **Agricultural Trade:**

Section 3201 would amend [section 3206\(e\)\(1\) of the Food, Conservation, and Energy Act of 2008](#) to reauthorize \$80 million for local and regional food aid procurements projects until 2023.

Section 3202 would amend [section 1542\(a\) of the Food, Agriculture, Conservation, and Trade Act of 1990](#) to reauthorize funding for the promotion of agricultural exports to emerging markets through fiscal year 2023. Section 1542(a) authorizes the Commodity Credit Corporation to make available for fiscal years 1996 through 2018 not less than \$1 billion of direct credits or export credit guarantees for exports to emerging markets.

Section 3203 would reauthorize the Bill Emerson Humanitarian Trust until 2023. The program 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.

Section 3204 would authorize the Food for Progress program through fiscal year 2023. 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. The provision would include colleges and universities in the definition of an “eligible entity”.

Section 3205 would authorize the McGovern-Dole International Food for Education and Child Nutrition Program through 2023. 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.

Section 3208 would limit the aggregate contribution of funds of the Federal Government to the Global Crop Diversity Trust to 33% and would authorize \$60 million through 2023. The trust is a United Nations operation to which the U.S. contributes. U.S. contributions were previously 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.

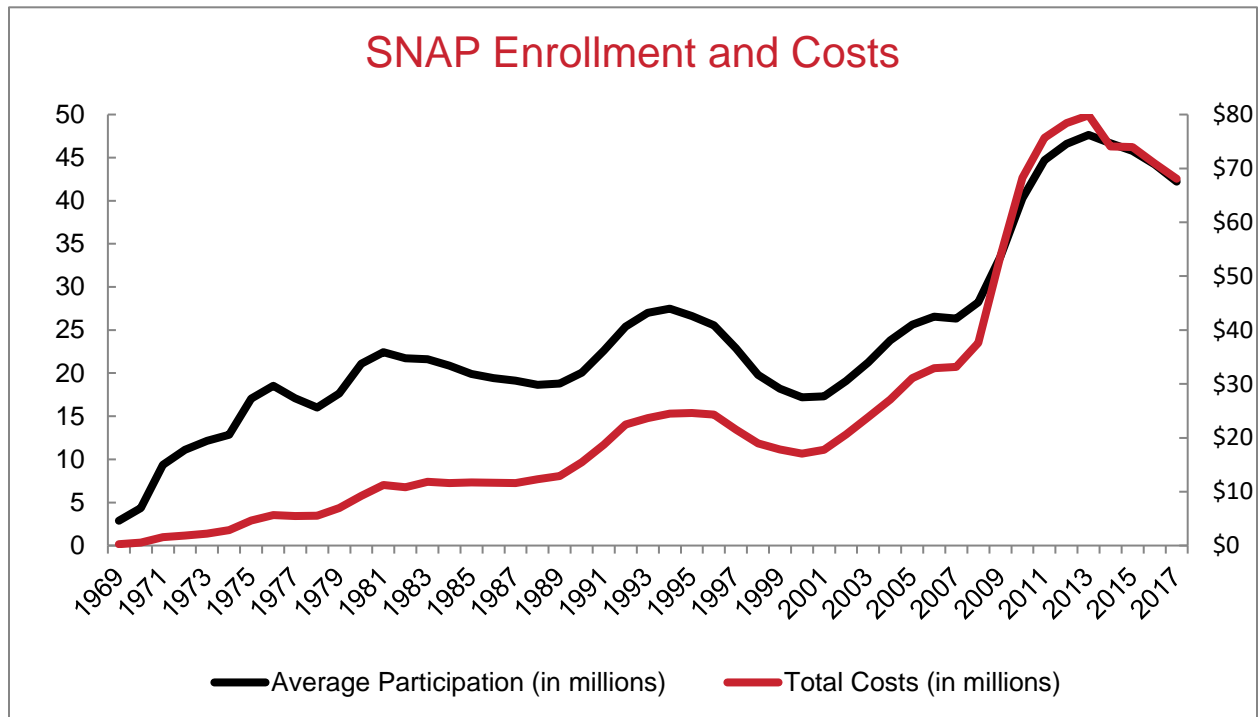
Section 3209 would establish Biotechnology and Agricultural Trade Program to remove, resolve, or mitigate significant regulatory nontariff barriers to the export of United States agricultural commodities into foreign markets through policy advocacy and targeted projects that address issues relating to United States agricultural commodities produced with the use of biotechnology or new agricultural production technologies; advocacy for science-based regulation in foreign markets of biotechnology or new agricultural production technologies; or quick-response intervention regarding nontariff barriers to United States exports produced through biotechnology or new agricultural production technologies.

#### **Title IV: Nutrition**

**Background on SNAP:** The Supplemental Nutrition Assistance Program (SNAP, formerly called Food Stamps) is meant to provide assistance for low income individuals to purchase food at retail stores.

The SNAP [rolls](#) have exploded in recent years, growing 50 percent since 2008 to more than 42 million participants in 2017, while spending on the program has increased by 81 percent, to over \$68 billion per year in 2017. Since 2001, enrollment in SNAP has grown by 143 percent and spending has increased by 283 percent. According to the [Heritage Foundation](#), “In 2005, 6.1 percent of the population was on food stamps. Today, 13 percent of the population is on food stamps—and the unemployment rate is lower than it was in 2005 (5.1 percent relative to 4.4 percent).”

Research by the [Foundation for Government Accountability](#) has shown that “The number of able-bodied adults dependent on food stamps has reached crisis levels. Despite near record-low unemployment, nearly 21 million able-bodied are enrolled in the program—three times as many as 2000.<sup>1</sup> Much of this enrollment explosion has been driven by childless adults. What’s causing this disconnect? States are using loopholes and gimmicks to waive commonsense work requirements for able-bodied adults on food stamps.” “Nearly 1,200 counties, towns, cities, and other jurisdictions” have waived work requirements in 33 states.



The [Congressional Budget Office](#) projects that under current law, SNAP spending will total \$664 billion over the FY 2019 – 2028 period, with annual spending increasing slightly from \$69.2 billion in 2018 to \$70.3 billion in 2028. Over that time period, SNAP participation is projected to gradually decrease from 40.9 million people in 2018 to 32.1 million in 2028.

**Title IV:** The bill would reauthorize SNAP through FY 2023 and make modifications to the program.

The bill would close the broad based categorical eligibility and “heat and eat” loopholes. The bill would expand the applicability of work requirements for able bodied adults, but would keep in place significant waivers and exemptions that would reduce the potential effectiveness of the reforms made by the bill. The bill would significantly increase funding for SNAP Education and Training (E&T). The bill would expand the requirement that SNAP beneficiaries cooperate with child support enforcement. The bill includes a number of provisions that would expand eligibility for SNAP benefits, including by increasing the earned income deduction, increasing asset test limits, and by requiring states to provide five months of transitional SNAP benefits (eliminating the state option). The bill would also create a program to subsidize retail food stores that provide SNAP beneficiaries bonuses for purchasing health foods.

According to CBO, the bill would increase outlays for SNAP by \$1.117 billion over the FY 2019 – 2023 period and by \$463 million over the FY 2019 – 2028 period. After accounting for these changes, CBO projects that SNAP spending would total \$327.694 billion over the FY 2019 – 2023 period and \$664.292 billion over the FY 2019 – 2028 period.



CBO projects that the number of beneficiaries would be slightly lower under the bill compared to current law. “In total, CBO estimates that in 2028 the SNAP caseload under the bill’s proposed work requirement would be lower by about 1.2 million people in an average month than it is under current law, or about 3.7 percent of the total caseload.... CBO estimates that in an average year, about 400,000 households would lose SNAP eligibility as a result of the change to the gross income threshold.” As a result of the bill, there would be about 30.5 million SNAP beneficiaries remaining on the welfare program in 2028, about 95 percent of the 32 million projected by CBO to be enrolled under current law in that year.

**Sec. 4001 Duplicative Enrollment Database:** The bill would require the establishment of a Duplicative Enrollment Database to prevent SNAP participants from receiving benefits from more than one state. States would be required to submit applicant information to the Database.

According to CBO, this provision would reduce outlays by \$138 million over the FY 2019 – 2023 period and by \$588 million over the FY 2019 – 2028 period.

**Sec. 4002 Retailer-Funded Incentives Pilot:** The bill would establish a pilot project to reimburse retail food stores that provide bonuses to SNAP participants that purchase fruits, vegetables, and milk.

The bill would require retail food stores that wish to participate in the pilot program to submit a plan to be approved by the Secretary of Agriculture. Bonuses for the purchase of qualifying products could not exceed ten percent of the price.

The federal government would reimburse retailers with up to 25 percent of the dollar value of bonuses earned under the program, with an aggregate limit of no more than \$120 million in reimbursements available each year. The bill would provide for up to \$120 million in mandatory funding each year for the program through FY 2023.

Retailers already participating in the [Food Insecurity Nutrition Incentive grant program](#), which is meant to incentivize “the purchase of fruits and vegetables by SNAP clients,” would be ineligible to participate in this new pilot program that is supposed to achieve the same goal.

Under current [regulations](#), in general, “No retail food store may single out coupon users [SNAP participants] for special treatment in any way.”

According to CBO, this provision would increase outlays by \$604 million over the FY 2019 – 2023 period and by \$1.204 billion over the FY 2019 – 2028 period.

*Many conservatives may be concerned that this program would effectively serve to subsidize large retailers.*

*Some conservatives may be concerned that despite this pilot program, SNAP would still subsidize the purchase of unhealthy foods. According to a [study](#) for the Department of Agriculture of SNAP purchases, “20 cents out of every dollar was spent on sweetened beverages, desserts, salty snacks, candy and sugar.” The [RSC Budget](#) proposed restricting the types of food that can be purchased using SNAP benefits.*

**Sec. 4003 Gus Schumacher Food Insecurity Nutrition Incentive Program:** The bill would rename the [Food Insecurity Nutrition Incentive grant program](#), which is meant to incentivize “the purchase of fruits and vegetables by SNAP clients,” after [Gus Schumacher](#).

The bill would permanently reauthorize and increase funding for the program, from \$25 million in FY 2018 to \$65 million in mandatory funding in FY 2023 and every subsequent year.

According to CBO, this provision would increase outlays by \$155 million over the FY 2019 – 2023 period and by \$472 million over the FY 2019 – 2028 period.

*Some conservatives may be concerned this provision would violate the Majority Leader’s Sunset Requirement [Floor Protocol](#) and would significantly increase funding for the program.*

**Sec. 4004 Re-evaluation of Thrifty Food Plan:** The bill would require the Secretary of Agriculture to reevaluate and update the market baskets of the Thrifty Food Plan by 2022 and every five years after that.

The [Thrifty Food Plan](#) is “the diet required to feed a family of four persons consisting of a man and a woman twenty through fifty, a child six through eight, and a child nine through eleven years of age” and is used to calculate SNAP allotments.

**Sec. 4005 Food Distribution Programs on Indian Reservations:** The bill would reauthorize and through 2023 make modifications to the Food Distribution Program On Indian Reservations.

**Sec. 4006 Update to Categorical Eligibility:** According to [CRS](#), Under current law, households must have generally have gross income below 130 percent of the Federal Poverty Level (FPL) and liquid assets below \$2,250 to qualify for SNAP. “Households in which all members are either eligible for or receive benefits from TANF, Supplemental Security Income (SSI), or state-financed general assistance programs are categorically, or automatically, eligible for SNAP,” allowing states to “bypass the income and resource tests.” Thirty-nine states, Washington D.C., Guam, and the Virgin Islands have expanded to broad based categorical eligibility to include even receiving a minimal non-cash TANF benefit, “such as being given a brochure or being referred to a social services “800” telephone number.” “If a state opted to do so, any low-income household (under 200% of poverty, per regulation) could either receive, or be authorized to receive, such a TANF-funded service,” making them categorically eligible for SNAP.

The bill would restrict the use of categorical eligibility to only instances where a beneficiary receives cash assistance or ongoing substantial services and who has an income of not more than 130 percent of the FPL.

According to CBO, this provision would reduce outlays by \$2.315 billion over the FY 2019 – 2023 period and by \$5.035 billion over the FY 2019 – 2028 period. CBO estimates that “in an average year, about 400,000 households would lose SNAP eligibility as a result of the change to the gross income threshold.” It is important to remember that these households were not eligible for SNAP according to the regular underlying resource and income requirements to qualify for benefits under the program.

*Some conservatives will be pleased by this provision, which was included in the [RSC Budget](#).*

**Sec. 4007 Basic Allowance For Housing:** Under [current law](#), households must have generally have gross income below 130 percent of the Federal Poverty Level (FPL) and net income (gross income minus certain allowable deductions) below 100 percent FPL.

The bill would allow an exclusion of up to \$500 per month of the basic allowance for housing for a member of the armed forces when determining SNAP eligibility.

According to CBO, this provision would increase outlays by \$52 million over the FY 2019 – 2023 period and by \$116 million over the FY 2019 – 2028 period.

**Sec. 4008 Earned Income Deduction:** Under [current law](#), households must have generally have gross income below 130 percent of the Federal Poverty Level (FPL) and net income (gross income minus certain allowable deductions) below 100 percent FPL.

The bill would increase the allowable deduction of earned income from 20 to 22 percent.

According to CBO, this provision would increase outlays by \$2.23 billion over the FY 2019 – 2023 period and by \$4.64 billion over the FY 2019 – 2028 period. “CBO estimates that employed recipients would increase their earnings slightly in response to the new rate and that the overall costs of the provision would be lower by about 11 percent compared to what costs would be if there were no change in earnings among employed recipients. CBO also anticipates that the proposal would allow a small number of new households whose income is now too high to qualify to enroll in SNAP—a change that raised CBO’s estimate of the overall costs of section 4008 by about 3 percent.”

**Sec. 4009 Simplified Homeless Housing Costs:** Under [current law](#), households must have generally have gross income below 130 percent of the Federal Poverty Level (FPL) and net income (gross income minus certain allowable deductions) below 100 percent FPL. States have the ability to allow a deduction of \$143 per month for households where all members are homeless but are not receiving free shelter.

The bill would modify the deduction for homeless households so that the \$143 level is adjusted for inflation each year.

According to CBO, this provision would increase outlays by \$36 million over the FY 2019 – 2023 period and by \$76 million over the FY 2019 – 2028 period.

**Sec. 4010 Availability of Standard Utility Allowances Based on Receipt of Energy Assistance:** The bill would close the “Heat and Eat” loophole for households without an elderly member.

According to CBO, “under current law, households qualify for a heating or cooling standard utility allowance (SUA) if they provide proof that they either pay heating or cooling expenses or receive more than \$20 in assistance through the federal Low-Income Home Energy Assistance Program (LIHEAP). Some states currently send \$21 in LIHEAP benefits to SNAP participants so that they automatically qualify for the allowance.” It has been [reported](#) that using this loophole, “New York will pay \$6 million of LIHEAP to receive \$457 million of extra food stamp dollars from the federal coffers”.

According to CBO, this provision would reduce outlays by \$2.44 billion over the FY 2019 – 2023 period and by \$5.25 billion over the FY 2019 – 2028 period. “CBO estimates that under this provision, about 560,000 households would have their SNAP benefits reduced by an average of \$84 per month, as their income would be higher because they would no longer qualify for the SUA. About two-thirds of the affected households would be those that qualify under current law for the SUA as a result of the minimum LIHEAP benefit.”

*Many conservatives will be pleased by this provision, which was included in the [RSC Budget](#).*

**Sec. 4011 Child Support; Cooperation with Child Support Agencies:** According to CBO, “Under current law, states may require SNAP participants who are parents of children under age 18 to cooperate with child support enforcement agencies in order to receive benefits. Five states and Guam require that.” As of 2016, only [27 percent](#) of single-parent families enrolled in SNAP receive child support payments.

The bill would eliminate the state option, thus requiring states to require child support cooperation. The bill would also require all states to provide a deduction for child support payments. The bill would further repeal the current law option for states to disqualify from eligibility individuals that are delinquent in paying child support.

According to CBO, this provision would increase outlays by \$1.446 billion over the FY 2019 – 2023 period and by \$3.494 billion over the FY 2019 – 2028 period. “CBO estimates that about 570,000 additional SNAP households would receive child support in 2028.”

*Some conservatives will be pleased by this provision, which was included in the [RSC Budget](#).*

Sec. 4012 **Adjustment to Asset Limitations:** Under current law, SNAP households must have assets of less than \$2,250 (\$3,000 in the case of households with an elderly or disabled member). The dollar amount of asset limits were set in the 1970's and then began to be adjusted annually for inflation (to the nearest \$250) in 2008.

The bill would increase the asset limit to \$7,000 (\$13,000 in the case of households with an elderly or disabled member). The asset limits would be adjusted annually by the change in CPI-U.

Sec. 4013 **Updated Vehicle Allowance:** The bill would exempt from the asset limit up to \$12,000 of the value per vehicle for each licensed driver in a household. This level would be adjusted annually for inflation. The bill would strike the Alternative Vehicle Allowance.

Sec. 4014 **Savings Excluded from Assets:** The bill would exclude from the asset limit up to \$2,000 in savings accounts. This level would be adjusted annually for inflation.

According to CBO, the provisions related to assets limitations, vehicle allowances, and savings would increase outlays by \$51 million over the FY 2019 – 2023 period and by \$201 million over the FY 2019 – 2028 period.

Sec. 4015 **Workforce Solutions:** The bill would include a number of provision that modify the conditions of participation in SNAP contained in current law, including the requirement that able bodied adults comply with work activation requirements.

*Able Bodied Adults:* Under current law, “no physically and mentally fit individual over the age 15 and under the age of 60” is eligible for SNAP if the individual refuses certain work requirements. The bill would modify the applicable ages to be “at least 18 years of age and less than 60 years of age.”

*Work Requirements:* Under current law, an able bodied adult would be ineligible for SNAP if he refuses to register for employment or refuses without good cause to participate in an employment and training program.

The bill would modify the provision so that an able bodied adult would be ineligible for SNAP if he without good cause, fails to work or refuses to participate in either an employment and training program, a work program, or a combination of those for a minimum of 20 hours per week in FY 2021 – 2025 and 25 hours per week in FY 2026 and thereafter.

The bill would define a work program as a program under the Workforce Innovation and Opportunity Act, Trade Adjustment Act training, and employment and training programs operated by state and local governments.

The bill would continue the current law work requirements for FY 2019 and 2020 during the transition period to the modified conditions of participation.

As under current law, an able bodied adult would also be ineligible for SNAP if he:

- Refuse without good cause to accept an offer of employment not less than the minimum wage;
- Refuses without good cause to provide a state agency information to allow for verification of employment status;
- Voluntarily or without good cause quits a job or reduces work hours below a threshold;

The bill would strike the provisions related to failure to comply with current law workfare requirements, which are repealed by the bill.

The bill would continue current law exemptions from the conditions of participation for able bodied adults, including if the individual is:

- Subject to and complying with work registration requirements under TANF or the unemployment compensation system;
- A parent or other member of a household with responsibility for the care of a dependent child under age six or of an incapacitated person;
- A student enrolled at least half time, with a person enrolled in an institution of higher education who meets certain requirements;
- A regular participant in a drug or alcohol treatment and rehabilitation program;

The bill would modify an exemption related to employed individuals to include an individual who is receiving weekly earnings equal to the federal minimum wage multiplied by the minimum hourly work requirement for that year under the conditions of participation.

The bill would add waivers for individuals who are medically certified as mentally or physically unfit for employment and for pregnant women.

The bill would provide a one-month grace period from the conditions of participation for able bodied adults.

If a state agency determines an individual has failed to meet the conditions of participation, it is required to provide notice within 10 days. After the first violation, the individual would become ineligible for SNAP for 12 months or until he obtains employment or otherwise becomes no longer subject to the conditions of participation for able bodied adults. For the second and subsequent violations, the individual would be ineligible for SNAP for 36 months or until he obtains employment or otherwise becomes no longer subject to the conditions of participation for able bodied adults.

*Waiver:* The bill would provide for the waiver of the conditions of participation for able bodied adults for individuals in an “area” of the state at the request of a state agency under several conditions:

- If the area has an unemployment rate of over 10 percent;
- If the area is designated as a [Labor Surplus Area](#) by the Department of Labor;
  - *A Labor Surplus Area is defined as “a civil jurisdiction that has a civilian average annual unemployment rate during the previous two calendar years of 20 percent or more*

*above the average annual civilian unemployment rate for all states during the same 24-month reference period,” with a floor of 6 percent.*

- *In FY 2018, there are more than 1,300 Labor Surplus Areas, including areas that had an average unemployment rate of 6.1453 percent over the January 2015 through December 2016 period.*
- *Some conservatives may be concerned this regulation allows for a very low threshold (just 6 percent) and uses old data for making the determination.*
- If the area has a 24-month average unemployment rate 20 percent or higher than the national average unless the average unemployment rate of the area is less than 6 percent, with the requirement that the 24-month period must begin no earlier than the period used to designate Labor Surplus Areas for the current fiscal year; or
  - *Some conservatives may be concerned this would effectively codify the Labor Surplus Area regulation, along with allowing for a very low threshold (just 6 percent) and uses old data for making the determination.*
- Is in a state where extended or emergency unemployment benefits are being provided.

The bill would provide that the waivers may only be provided to “a State or individual jurisdictions within a State, except in the case of combined jurisdictions that are designated as [Labor Market Areas](#) by the Department of Labor.” Some conservatives may be concerned that this would continue to allow waivers in across areas that are larger than individual counties.

*Many conservatives may be concerned by the concept of waiving work requirements, particularly for individuals in those areas that need assistance moving back into the workforce.*

CBO estimates that “in an average month... 8 percent would receive waivers for living in a high-unemployment area.” According to analysis by the [Heritage Foundation](#), this provision would allow waivers of the work requirements for nearly five million able bodied adults who are currently not complying with the work requirement, about half of that population.

*Exemption:* The bill would provide state agencies the option to exempt individuals from the conditions of participation.

Beginning in FY 2021 when the new conditions of participation come into effect, the bill would allow state agencies the ability to exempt members of a household who receive SNAP benefits or who were denied benefits due to failure to comply with the conditions of participation for able bodied adults that do not live in an area covered by a waiver or are otherwise exempt. The number of exemptions would be limited to 15 percent of those covered individuals in the state in FY 2019, with that denominator being adjusted if the number of SNAP participants in a state varies by more than 10 percent.

*While there may be some need for state flexibility, many conservatives may be concerned by the high level of exemptions from work requirements.*

CBO estimates that “14 percent in an average month would receive an individual exemption.”

*ABAWD Work Requirement:* The bill would strike the current law work requirement for able bodied adults without dependents.

*Employment and Training:* Current law requires each state to implement an employment and training program “for the purpose of assisting members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.”

The bill would require each state agency to offer employment and training services sufficient to satisfy the requirements for all able bodied adults subject to the conditions of participation who are not ineligible due to non-compliance and who will not be able to satisfy the hours of work or participation in a work program.

The bill would add the requirement that employment and training programs contain case management services consisting of comprehensive intake assessments, individualized service plans, progress monitoring, and coordination with service providers. The bill would also modify the job search programs that can be a part of employment and training programs to be supervised job search at state approved locations. The bill would modify the definition of “programs designed to improve the employability of household members through actual work experience or training” that can be provided under an employment and training program to also include “subsidized employment, apprenticeships, and unpaid or volunteer work that is limited to 6 months out of a 12-month period.”

The bill would continue current-law options for employment and training programs with minor modifications.

CBO projects that two percent of working age adult SNAP beneficiaries would meet the conditions of participation “through participation in a training program under the proposal.”

*Funding for Employment and Training:* According to CBO, “Under current law, all states share an annual grant of \$110 million for employment and training programs for SNAP recipients. Each state also can receive federal funds that match dollar-for-dollar their additional spending on workforce training for SNAP recipients or for reimbursing participants for certain expenses incurred during training, such as child care or transportation.” The \$110 million is provided from two buckets: \$90 million in mandatory funding is available each fiscal year to carry out employment and training programs, which are allocated by the Secretary of Agriculture to states by “a reasonable formula that is determined and adjusted by the Secretary and takes into account the number of individuals who are not exempt from the work requirement” for able bodied adults without dependents; each state operating an employment and training program is guaranteed not less than \$50,000 of that \$90 million. An additional \$20 million in mandatory funding is available for the Secretary to provide an additional allocation to states that make a commitment to offer a position in a program to certain individuals subject to the work requirement.



The bill would drastically increase funding for employment and training programs. The bill would provide \$90 million in FY 2019, \$250 million in FY 2020, and \$1 billion in FY 2021 and each year thereafter. The bill would strike the additional allocation provision in current law. The bill would keep the current law provision that provides a 50 percent federal match for costs incurred that exceed the allocation to the state as well as for transportation and other expenses related to participation.

*Many conservatives will be concerned by the massive increase to mandatory spending under this provision. The funding level proposed by the bill is 900% higher than what is provided under current law.*

The bill would provide that the funding shall be allocated to states by the Secretary “under a reasonable formula that is determined and adjusted by the Secretary and takes into account” the number of individuals who are not exempt from the current law work requirement for able bodied adults without dependents for FY 2019 and FY 2020 (these work requirements stay in effect during this time) and for FY 2021 and thereafter takes into account the number of individuals who are not exempt from the conditions of participation for able bodied adults established under this bill. The bill would also increase the minimum share for each state to \$100,000.

*Conservatives may be concerned that the funding formula is left up to the Secretary of Agriculture, a significant delegation of the legislative power of Congress. Conservatives may further be concerned that the formula is not required to take into account the number of individuals who actually enroll in these programs.*

The bill continues a provision of current law that requires the Secretary to reallocate funds that are not expended by a state to other states as the Secretary deems appropriate and equitable. *Many conservatives may be concerned that this punishes fiscally responsible states by forcing them to subsidize states that do not control their spending.*

The bill would provide that no more than \$150 million shall be reserved for States to provide training services by eligible providers under the Workforce Innovation and Opportunity Act in each year beginning in FY 2021.

Under this increased funding, “CBO estimates that it will take some time for states to expand their programs enough to spend all of the additional funding. From 2021 to 2025, CBO estimates, the additional grant money would pay for services that under current law are covered by matching funds; as a result, federal spending for matching funds would be less than under current law. From 2026 onward, however, federal matching funds would increase relative to CBO’s baseline as states expand their training programs to serve more recipients. In total, direct federal funding for grants would increase by \$7.3 billion and federal matching funds would decrease by \$0.6 billion over the 10-year period, for a net increase of \$6.7 billion in spending for employment and training under SNAP.”

CBO cites this provision as an unfunded intragovernmental mandate: “Section 4015 would require states to offer employment and training services to SNAP recipients to satisfy new work requirements. Under this provision, states must provide sufficient hours in those activities for SNAP recipients to meet the federal requirement of 20 hours per week of work or participation in a training program (the requirement would increase to 25 hours in 2026)... As states implemented the work requirements fully, CBO expects, annual costs would exceed the amount of federally allocated funds; therefore, state spending (matched by federal funds) would rise and eventually impose costs on states.”

*Work Supplementation and Workfare Repeal:* The bill would repeal the current law provisions related to the Work Supplementation or Support Program and Workfare.

*Costs and Results of Workforce Solutions:* “CBO estimates that this provision [Section 4015, Workforce Solutions] would reduce spending on benefits by \$9.2 billion over the 2019-2028 period because it would cause some people to lose eligibility. The federal government’s administrative costs for this provision would increase by \$7.7 billion over the same period, CBO estimates, mostly to fund training. Under this provision, SNAP spending would decline, on net, by \$1.5 billion over the 2019-2028 period... In total, CBO estimates that in 2028 the SNAP caseload under the bill’s proposed work requirement would be lower by about 1.2 million people in an average month than it is under current law, or about 3.7 percent of the total caseload.”

*According to analysis of the bill by the [Heritage Foundation](#), “of the 10 million work-capable food stamp recipients who are unemployed or work less than 20 hours per week, H.R. 2 would require only 2.1 million (or 20 percent) to work or prepare for work,” due to the exemptions and waivers provided by the bill. The analysis shows that under the bill, more individuals would be exempted from the work requirements than would be required to comply with them.*

**Sec. 4016 Modernization of Electronic Benefit Transfer Regulations:** The bill would require the Secretary to periodically review regulation related to the electronic benefit transfer (EBT) system to take into account evolving technology, including risk based measures and alternatives for securing transactions.

**Sec. 4017 Mobile Technologies:** The bill would require the Secretary to authorize no more than five demonstration projects to pilot the use of mobile technologies for SNAP benefit access not later than 2020. After implementing the pilot projects, the Secretary would be required to authorize the use of mobile technologies for accessing SNAP benefits.

According to CBO, this provision would increase outlays by \$4 million over the FY 2019 – 2023 period and by \$12 million over the FY 2019 – 2028 period.

**Sec. 4018 Processing Fees:** The bill would modify the current law prohibition on interchange fees for EBT transactions to provide that “Neither a State, nor any agent, contractor, or subcontractor of

a State who facilitates the provision of supplemental nutrition assistance program benefits in such State may impose a fee for switching or routing such benefits.”

**Sec. 4019 Replacement of EBT Cards:** The bill would require that after two lost EBT cards in a 12-month period that the head of the household “review program rights and responsibilities with State agency personnel.”

**Sec. 4020 Benefit Recovery:** The bill would modify current law provisions related to recovering unused SNAP benefits. The bill would allow a state agency to store EBT benefits off line if the household has not accessed the account after three months, down from six months under current law. The bill would require a state agency to expunge benefits that have not been accessed by a household after six months, down from 12 months under current law. The bill would also require a state to expunge benefits upon verification of the death of every member of the household.

*Some conservatives may be pleased that this provision could help reduce fraud.*

**Sec. 4021 Requirements for Online Acceptance of Benefits:** The bill would add “online entity” to the definitions of a retail food store. The bill would further strike reporting requirements related to a current law demonstration project online acceptance of SNAP benefits.

**Sec. 4022 National Gateway:** The bill would require that all SNAP benefit transactions be routed through a national gateway established by the bill for purposes of transaction validation and settlement. The bill would require the Secretary to ensure real time monitoring of transactions. The bill would require state agencies ensure that benefit issuers connect to the gateway.

Prior to the Secretary implements the national gateway in all states, the Secretary would be required to conduct a study within one year of enactment to assess the feasibility of routing transactions through the gateway. The Secretary would be required to complete nationwide implementation of the national gateway within one year of the completion of the study unless the Secretary determines “that more time is needed to implement such gateway nationwide or that nationwide implementation of such gateway is not in the best interest of the operation of the supplemental nutrition assistance program.”

*Some conservatives may be concerned this provision would delegate legislative powers to the Executive branch.*

The bill would authorize the appropriation of \$10.5 million in FY 2019 and \$9.5 million for each year between FY 2020 – 2023 to carry out the gateway. The bill would cap funding for the feasibility study at \$1 million.

The bill would require benefit issuers and third party processors to pay fees to the gateway operator for operation of the gateway. The bill would require the fee to be set by the Secretary in proportion to the number of transactions routed through the gateway and based on the costs of operating the

gateway, and for the Secretary to adjust the fees annually with a cap of a 10 percent adjustment from year to year.

According to CBO, this provision would increase outlays by \$165 million over the FY 2019 – 2023 period and by \$601 million over the FY 2019 – 2028 period. CBO “estimates that the gateway provision also would increase SNAP administrative costs because the states’ EBT contractors would pass along the additional costs to the states.” CBO also estimates that this provision would increase revenues by \$465 million over the FY 2019 – 2028 period. CBO considers the fees paid by retailers to pay for the costs of the gateway to be revenues.

According to the Committee Report, “The establishment of a National Gateway provides USDA with necessary oversight over the flow of EBT transactions, helping to control costs and allowing USDA to develop additional tools to ensure the integrity of SNAP and its related transactions is upheld.”

**Sec. 4023 Access to State Systems:** The bill would require that state agency records related to SNAP program compliance be made available for inspection and audit by the Secretary of Agriculture.

**Sec. 4024 Transitional Benefits:** Under current law, states may provide up to five months of transitional SNAP benefits to households that ceases to receive cash assistance under TANF or a state funded cash assistance program.

The bill would require states to provide five months of transitional SNAP benefits, eliminating the state option.

According to CBO, this provision would increase outlays by \$435 million over the FY 2019 – 2023 period and by \$895 million over the FY 2019 – 2028 period.

*Many conservatives will be concerned by this provision that eliminates flexibility for states and would keep families that are able to leave cash welfare programs dependent on government assistance.*

**Sec. 4025 Incentivizing Technology Modernization:** The bill would modify the types of grants for simplifies SNAP application and eligibility determination systems for which appropriations are authorized.

**Sec. 4026 Supplemental Nutrition Assistance Program Benefit Transfer Transaction Data Report:** The bill would require retail food stores to provide data to the USDA on the costs and items purchased with SNAP benefits. The Secretary would be required to make a summarized report of data collected available to the public.

According to CBO, this provision would increase outlays by \$15 million over the FY 2019 – 2023 period and by \$30 million over the FY 2019 – 2028 period.

**Sec. 4027 Adjustment to Percentage of Recovered Funds Retained By States:** The bill would increase the percentage of allotments recovered or collected by states from eligibility disqualifications and overissuances that may be retained to 50 percent from 35 percent. The bill would allow states to use retained funds only for SNAP, including investments in technology, improvements in administration and distribution, and actions to prevent fraud.

According to CBO, this provision would increase outlays by \$50 million over the FY 2019 – 2023 period and by \$102 million over the FY 2019 – 2028 period.

*Some [conservatives](#) may believe this will help incentivize states to crack down on [rampant SNAP fraud](#). The “cost” to the federal government in this case is equal to the effect of a 15 percentage point reduction in the federal share of states stopping a total of \$680 million in fraud over the FY 2019 – 2028 period.*

**Sec. 4028 Tolerance Level for Payment Errors:** Current law requires the Secretary to carry out a quality control system to enhance payment accuracy, with a tolerance level for payment errors of \$37. The bill would set the tolerance level for payment errors at \$0.

CBO projects this provision will reduce outlays by less than \$500,000 annually.

*Many conservatives will be pleased this provision would reduce tolerance for payment errors.*

**Sec. 4029 State Performance Indicators:** Current law requires the Secretary to establish regulations setting standards for states to reduce payment errors and effective administration as well as providing performance bonus payments to states with the best or most improved performance.

The bill would continue the performance standard regulations, but would repeal the performance bonus payments. The bill would also require the Secretary to establish regulations performance criteria relating to actions to correct errors and reduce error rates.

According to CBO, this provision would reduce outlays by \$192 million over the FY 2019 – 2023 period and by \$432 million over the FY 2019 – 2028 period.

**Sec. 4030 Public-Private Partnerships:** The bill would allow the Secretary to permit up to 10 pilot projects to “support public-private partnerships that address food insecurity and poverty.” Eligible entities to carry out the pilot projects would include state and local governments, nonprofits, community based institutions, or institutions of higher learning. The bill would authorize the appropriation of \$5 million to carry out the projects.

**Sec. 4031 Authorization of Appropriations:** The bill would extend the authorization for appropriations for such sums as necessary for SNAP through 2023.

**Sec. 4032 Emergency Food Assistance:** The bill would reauthorize [The Emergency Food Assistance Program \(TEFAP\)](#) through 2023 and would increase mandatory funding for the program to \$60

million in FY 2019 from \$15 million in FY 2018. In FY 2020 and each year thereafter, the amount provided would be increased by the percentage increase of the [thrifty food plan](#) in the preceding year. The bill would also establish a Farm to Food Bank Fund that would require the Secretary to distribute \$20 million each year of the provided funds to states to “procure or enter into agreements with a food bank to procure excess fresh fruits and vegetables grown in the State, or surrounding regions in the United States, to be provided to eligible recipient agencies.”

According to CBO, this provision would increase outlays by \$235 million over the FY 2019 – 2023 period and by \$499 million over the FY 2019 – 2028 period.

**Sec. 4033 Nutrition Education:** The bill would reauthorize and modify the Nutrition Education And Obesity Prevention Grant Program through 2023. This program provides federal funding “that promotes healthy food choices and physical activity.”

The bill would increase the mandatory funding for the program to \$485 million in FY 2019. In FY 2020 and each year thereafter, the amount provided would be increased by the percentage increase of the Consumer Price Index. The bill would also add an authorization for appropriations of \$65 million annually for FY 2019 – 2023.

According to CBO, this provision would increase outlays by \$297 million over the FY 2019 – 2023 period and by \$632 million over the FY 2019 – 2028 period.

*Many conservatives may be concerned this program would be more appropriately provided by state and local governments, or by civil society.*

**Sec. 4034 Retail Food Store and Recipient Trafficking:** The bill would reauthorize appropriations for anti-trafficking activities of the USDA through FY 2023.

**Sec. 4035 Technical Corrections:** The bill would make a number of technical corrections to current law.

**Sec. 4036 Implementation Funds:** The bill would provide an additional \$150 million in mandatory funding in FY 2019 to carry out the provisions of the bill.

**Subtitle B Commodity Distribution Programs:** The bill would reauthorize the Commodity Distribution Program, the Commodity Supplemental Food Program, and distribution of surplus commodities to special nutrition projects through 2023.

**Subtitle C Miscellaneous:** The bill would reauthorize the purchase of fresh fruits and vegetables for distribution to schools and service institutions, the Seniors Farmers’ Market Nutrition Program, and the Healthy Food Financing Initiative through 2023.

The bill would also modify the Fruit and Vegetable School Lunch Program to allow for the purchase of canned, dried, froze, or pureed fruits and vegetables.

### **Title V: Credit**

Title V would authorize a series of programs that offer direct government loans to farmers and ranchers and would provide guaranteed loans from commercial lenders. The title would additionally set eligibility rules for farmers.

Section 5101 would amend [section 302\(b\) of the Consolidated Farm and Rural Development Act](#) by authorizing the Secretary of Agriculture to reduce the three-year requirement to two years in the case of a qualified beginning farmer or rancher receiving a farm ownership loan, if the farmer or rancher has 16 credit hours of post-secondary education in a field related to agriculture; at least one year of direct substantive management experience in a business; been honorably discharged from the armed forces of the United States; successfully repaid a youth loan; or an established relationship with an individual participating as a counselor in a Service Corps of Retired Executives program.

Section 5102 would authorize \$75 million the conservation loan and loan guarantee program for each fiscal year through fiscal year 2023. The loan program was authorized at \$150 million in the 2014 Farm Bill. The purpose of these loans is to complete a conservation activity outlined in a conservation plan or Forestry Management Plan. The ultimate risk of these loans is borne by the U.S. taxpayer.

Section 5103 would increase the maximum allowable indebtedness for guaranteed loans, from \$700,000 to \$1.75 million adjusted for inflation beginning in fiscal year 2019.

Section 5301 would reauthorize \$5 million for the Beginning farmer and rancher individual development accounts pilot program for each fiscal year through fiscal year 2023.

Section 5302 would amend [section 346\(b\)\(1\) of the Consolidated Farm and Rural Development Act](#) (7 U.S.C. 1994(b)(1)) by reauthorizing the Secretary's authority to make or guarantee loans from the Agricultural Credit Insurance Fund for not more than \$4.226 billion through 2023.

Section 5303 would extend the 50% operating loan funds set aside for qualified beginning farmers and ranchers through 2023.

Section 5507 would amend [Section 8.8\(c\)\(2\) of the Farm Credit Act of 1971](#) by increasing from 1,000 to 2,000 the acreage limitation under the acreage exception applicable to qualified loans.

Section 5601 would amend [section 506 of the Agricultural Credit Act of 1987](#) to extend the authorization of \$7.5 million for State agricultural mediation programs for each fiscal year through 2023.

### **Title VI: Rural Infrastructure and Economic Development**

Title VI would provide assistance for rural business creation and expansion and rural infrastructure along with traditional assistance for housing, electrical generation and transmission, broadband,

water and wastewater, and economic and institutional capacity in local communities. The bill would provide certain rural development loan and grant applications to assist rural communities in responding to a specific rural health emergency as well as biorefinery, renewable, chemical, and biobased product manufacturing assistance.

Section 6001 would amend [title VI of the Rural Development Act of 1972](#) by authorizing the Secretary of Agriculture to announce a renewable, one-year, temporary reprioritization for certain rural development loan and grant applications to assist rural communities in responding to a specific rural health emergency. The provision would provide that at least 10 percent of [Distance Learning and Telemedicine Program](#) funds are reserved for projects that address the rural health emergency.

Section 6002 would amend [section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990](#) by increasing the authorization of appropriations for the Distance learning and telemedicine from \$75 million to \$82 million per fiscal year through 2023. The program provides funding for advanced telecommunications for rural health and education services at schools, hospitals and libraries. This program provides both grants and loans. The ultimate risk of these loans is borne by the U.S. taxpayer.

Section 6003 would amend [section 7522 of the Food, Conservation, and Energy Act of 2008](#) by reauthorizing the Farm and Ranch Stress Assistance Network program through 2023. The program is comprised of competitive grants to support cooperative programs between State cooperative extension services and nonprofit organizations to establish a Farm and Ranch Stress Assistance Network that provides stress assistance programs to individuals who are engaged in farming, ranching, and other agriculture-related occupations.

Section 6004 would establish a loan program and a grant program to assist in the establishment of agricultural association health plans, in order to help bring new health options and lower priced health care coverage to rural Americans. The Secretary would be authorized to make not more than 10 loans for the purposes of establishing agricultural association health plans, and would be authorized to make grants to provide technical assistance in establishing agricultural association health plans. The provision would authorize an appropriation of \$65 million to be available until expended from 2019 through 2022.

Section 6101 would amend [section 601 of the Rural Electrification Act of 1936](#) by directing the Secretary to establish standards for rural areas which provide for a minimum acceptable standard of service that requires the speed to be at least megabits per second downstream transmission capacity and 3 megabits per second upstream transmission capacity; and projections of minimum acceptable standards of service for five, 10, 15, 20, and 30 years into the future. The provision would prohibit the Secretary from making any loan to finance a project that cannot meet the projected minimum acceptable standard of service equal to the length of the loan, and allows the Secretary and the applicant to agree to substitute standards if the standards are cost-prohibitive to meet.

Section 6103 would require the Secretary to provide both a direct lending program and a guaranteed lending program to finance rural broadband projects.

Section 6105 would authorize the Innovative Broadband Advancement Program, in place of the Rural Gigabit Network Pilot Program, from 2019 through 2023. It provides grants, loans or both to eligible entities to demonstrate innovative broadband technologies or methods of broadband deployment that significantly reduce the cost of broadband deployment. The Secretary would give priority to proposals for projects that involve partnerships between or among multiple entities; would provide



broadband service to the greatest number of rural residents at or above the minimum broadband speed; and the Secretary determines could be replicated in rural areas.

Section 6107 would authorize the Secretary to obligate funds to approved applications for broadband borrowers, while conditioning the disbursement of funds on the successful completion of environmental, historic, or other reviews of the project. The Secretary may deobligate funds if the reviews cannot be completed in a reasonable amount of time.

Section 6111 would permit the Telephone Loan Program and the Broadband Loan Program to refinance other telecommunications loans.

Section 6113 would increase the authorization to \$150 million for each of fiscal years 2019 through 2023 and reauthorize the Access to Broadband Telecommunications Services in Rural Areas program through fiscal year 2023. The program was originally authorized at \$25 million per fiscal year.

Section 6201 would require the Secretary to reserve a portion of funds for projects that support the implementation of a strategic community investment plan and would establish requirements for the plans. The provision would require the Secretary provide technical assistance to communities in developing strategic community investment plans, and authorizes \$5 million for each fiscal year until 2023 available until expended.

Section 6204 would amend [section 306\(a\)\(2\)\(B\) of the Consolidated Farm and Rural Development Act](#) by increasing the maximum amount for revolving funds for financing water and wastewater projects to \$200,000. The provision authorizes \$15 million for [water, waste disposal, and wastewater facility grants](#) for each fiscal year until 2023. 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.

Section 6205 would permit the Secretary to provide grants to entities which assist eligible rural water systems with long term sustainability planning.

Section 6206 would increase the authorization of \$25 million for fiscal year 2018 for the [rural water and wastewater circuit rider program](#).

Section 6207 would authorize \$5 million for the tribal college and university essential community facilities for each of fiscal years 2019 through 2023, a decrease from \$10 million in the previous Farm Bill. The program seeks to support health and safety facilities at tribal colleges and universities.

Section 6208 would authorize \$27 million for each of fiscal years 2019 through 2023 for the emergency and imminent community water assistance grant program, a decrease from \$35 million in current law. The program provides assistance to rural communities that have had a significant decline in quantity or quality of drinking water due to an emergency.

Section 6209 would reauthorize the water systems for rural and native villages in Alaska program for \$30 million per fiscal year until 2023.

Section 6210 would reauthorize \$5 million for each of fiscal years for the household water well systems grants until 2023. The grants fund household water well systems through nonprofits.

Section 6211 would reauthorize \$10 million for each fiscal year for the Solid waste management grants until 2023.

Section 6214 would reauthorize the locally or regionally produced agricultural food products program until 2023. The program provides guaranteed loans for businesses to provide locally produced foods to consumers, with the ultimate risk borne by the U.S. taxpayer.

Section 6217 would authorize \$10 million for the intermediary relending program until 2023. This program gives loans to provide liquidity to organizations (nonprofits or local 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.

Section 6220 would authorize \$1 million for each fiscal year for grants for NOAA weather radio transmitters until 2023. This program funds the expansion of NOAA Weather Radio transmission into rural areas and communities of less than 50,000 inhabitants.

Section 6221 would authorize \$4 million for each fiscal year until 2023 for the rural microentrepreneur assistance program. 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.

Section 6223 would authorize \$12 million, reduced from \$30 million, for each fiscal year until 2023 for the Delta Regional Authority. 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.

Section 6224 would authorize \$2 million, reduced from \$30 million, for each fiscal year until 2023 for the Northern Great Plains Regional Authority. 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.

Section 6225 would authorize the rural business investment program \$20 million for each fiscal year until 2023. 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.

### **Rural Electrification Act of 1936:**

The [Rural Electrification Act of 1936](#) 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 U.S. Department of Agriculture reorganization ([PL 103-354](#)) and replaced by the RUS.

Section 6301 would extend the authorization for guarantees for bonds and notes issued for electrification or telephone purposes through 2023. 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 billion under this program.

Section 6302 would extend the authorization for expansion of 911 access through fiscal year 2023. 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.

### **Farm Security and Rural Investment Act of 2002:**

Section 6402 would amend [section 9002\(i\) of the Farm Security and Rural Investment Act of 2002](#) by authorizing appropriations of \$2 million for a biobased markets program.

Section 6403 would authorize \$75 million per fiscal year until 2023 for biorefinery, renewable, chemical, and biobased product manufacturing assistance.

Section 6405 would authorize \$50 million per fiscal year until 2023 for bioenergy program for advanced biofuels.

Section 6407 would authorize \$20 million per fiscal year until 2023 for the [Rural Energy for America Program](#).

Section 6410 would authorize \$25 million per fiscal year until 2023 for the [Biomass Crop Assistance Program](#).

Section 6501 would authorize \$50 million per fiscal year until 2023 for value-added agricultural product market development grants. This is another competitive grant program for business plans to market value-added agricultural 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

Section 6502 would authorize the agriculture innovation center demonstration program until 2023. 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 million or twice the dollar amount of the resources that the eligible entity demonstrates are available.

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

Title VII would reauthorize agricultural research and extension programs and grants and fellowships for food and agriculture sciences education. An Overview of U.S. Department of Agriculture Rural Development Programs from CRS can be found [here](#).

Section 7102 would amend [section 1404\(14\)\(A\) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977](#) to require colleges and universities seeking the Non-Land-Grant College of Agriculture designation to offer a baccalaureate or higher degree in any area of study specified in statute.

Section 7104 would extend the termination date of the specialty crop committee of the [National Agricultural Research, Extension, Education, and Economics Advisory Board](#) through fiscal year 2023

and to increase the number of members of the Citrus Disease Subcommittee to 11 by adding two seats for members representing California or Arizona.

Section 7105 would discontinue the renewable energy committee of the National Agricultural Research, Extension, Education, and Economics Advisory Board.

Section 7107 would [reauthorize](#) appropriations \$60 million for each fiscal year for grants and fellowships for food and agriculture sciences education through fiscal year 2023.

Section 7108 would amend [section 1419A\(e\) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977](#) to reauthorize appropriations for \$10 million for each of fiscal year for agricultural and food policy research centers through fiscal year 2023.

Section 7110 would repeal the [nutrition education program](#). 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.

Section 7111 would amend [section 1433\(c\)\(1\) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977](#) to reauthorize appropriations of \$25 million for each fiscal year through 2023 for continuing animal health and disease research programs.

Section 7112 would remove the carryover limitation for extension at 1890 landgrant institutions including Tuskegee University.

Section 7113 would amend [subtitle G of the National Agricultural Research, Extension, and Teaching Policy Act of 1977](#) by directing the Secretary of Agriculture to establish and carry out a grant program to 1890 land-grant institutions for purposes of awarding scholarships. \$19 million would be authorized to be appropriated for each fiscal year 2019 through 2023. Each grant made would be in the amount of \$1 million.

Section 7116 would reauthorize \$40 million of appropriations for education grants to Hispanic-serving institutions for each fiscal year through 2023.

Section 7118 reauthorize \$5 million of appropriations for competitive grants for international agricultural science and education programs through fiscal year 2023.

Section 7120 would amend the [National Agricultural Research, Extension, and Teaching Policy Act of 1977](#) by authorizing \$5 million for research equipment grants for fiscal years 2019 through 2023.

Section 7125 amend to reauthorize \$5 million per fiscal year through for aquaculture assistance programs through 2023.

Section 7127 would increase the authorization of appropriations to \$30 million for biosecurity planning and response each year through fiscal year 2023, to allow for funds to be used to enter into cooperative agreements in addition to grants, and to add the coordination of tactical science activities to the list of eligible uses of funds.

Section 7209 would amend [section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990](#) to add "soil health" to the list of organic agriculture research and extension initiative funding

priorities, increasing the authorization of mandatory funding to \$30 million for fiscal years 2019 through 2023.

Section 7212 would reauthorize \$500,000 for each fiscal year for the National Rural Information Clearinghouse through 2023.

Section 7305 would amend [section 412\(b\) of the Agricultural Research, Extension, and Education Reform Act of 1998](#) to clarify priority language regarding the critical needs of the specialty crop industry; reauthorize \$25 million for each fiscal year for the Emergency Citrus Disease Research and Extension Program through 2023, and reauthorize \$100 million per fiscal year for the Specialty Crop Research Initiative through 2023.

Section 7401 would amend [section 14112\(c\)\(2\) of the Food, Conservation, and Energy Act of 2008](#) to reauthorize \$2 million per fiscal year for the Agricultural Biosecurity Communication Center through 2023.

Section 7404 would amend [section 14122\(e\)\(2\) of the Food, Conservation, and Energy Act of 2008](#) to reauthorize \$5 million per fiscal year for the Agricultural Biosecurity Grant Program through 2023.

Section 7413 would reauthorize \$75 million annually for the Sun Grant Program through fiscal year 2023. The program provides grants to research centers developing biobased energy technology.

Section 7507 amends [section 7405 of the Farm Security and Rural Investment Act of 2002](#) to authorize the Secretary to enter into cooperative agreements, make structural changes to the authorization, add various priority areas, reauthorize mandatory funding of \$20 million each fiscal year through 2023, and reauthorize \$20 million for each fiscal year through 2023 for the Beginning Farmer and Rancher Development Program.

Section 7604 would authorize \$2 million each year through fiscal year 2023 to remain available until expended to collect and report data and analysis on farmland ownership, tenure, transition, and entry of beginning farmers.

### **Title VIII: Forestry**

Title VIII would reauthorize a series of program related to forest research and forestry assistance to include state assessments and strategies for forest resources, and the community forest and open space conservation program. More information from CRS on the forestry title can be found [here](#).

Section 8101 would amend [section 2A\(f\)\(1\) of the Cooperative Forestry Assistance Act of 1978](#) by reauthorizing \$35 million for each of fiscal years 2019 through 2023 for the required state assessment in the Forest Legacy Program.

Section 8102 would remove the authorization of appropriations of “such sums as necessary” and authorize \$35 million for each of fiscal years 2019 through 2023 for the Forest Legacy Program. 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.

Section 8103 would remove the authorization of appropriations of “such sums as necessary” and authorize \$5 million for each of fiscal years 2019 through 2023 for the community forest and open space conservation program. This program 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.

Section 8104 would establish a landscape-scale restoration program to support landscape-scale restoration and management that results in measurable improvements to public benefits derived from State and private forest land, and would authorize \$10 million to carry out the program for each of fiscal years 2019 through 2023, to remain available until expended.

Section 8105 would reauthorize the Rural Revitalization Technologies Program at \$5 million through 2023. 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.”

Section 8107 would amend [section 501\(a\) of the Healthy Forests Restoration Act of 2003](#) to expand the purposes of the program to include the conservation of land that provides habitat for certain species and to ensure that forests that already provide suitable habitat, but are at risk for conversion, are eligible. The provision would authorize \$12 million each year through fiscal year 2023 for the Healthy Forests Restoration program.

Section 8303 would repeal the requirement for consultation of the Endangered Species Act for a project carried out by the Forest Service if the project is found not likely to adversely affect a listed species.

Section 8311 would clarify that forest management activities would be a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under [section 102 of the National Environmental Policy Act of 1969](#) (42 U.S.C. 4332).

Section 8401 would amend [section 2\(b\) of the Tribal Forest Protection Act of 2004](#) by authorizing Federal land management agencies up to 120 days to respond to Tribal request for forest management on agency lands and two years to complete the analysis.

## **Title IX: Horticulture**

Title IX would authorize a series of programs related to specialty crops, the Farmers’ Market and Local Food Promotion Program, and certified organic agriculture, as well as the use of certain pesticides. More information on the Horticulture Title Provisions can be found [here](#) from CRS.

Section 9001 would amend [section 10107\(b\) of the Food, Conservation, and Energy Act of 2008](#) to extend the authorization of appropriations for specialty crops market news allocation for \$9 million for each fiscal year through 2023, to remain available until expended.

Section 9002 would [section 6\(g\) of the Farmer-to-Consumer Direct Marketing Act of 1976](#) by reauthorizing the Farmers’ Market and Local Food Promotion Program and increasing the authorized level from \$10 million a year to \$30 million a year for fiscal years 2019 through 2023. The provision would also strike an expired one-year authorization of appropriations.

*The [RSC's budget](#) has called for the elimination of the Farmers' Market and Local Food Promotion Program. According to the budget, "the Farmers Market Promotion Program provides grants to support local farmers' markets and roadside stands, community-supported agriculture, and agritourism activities. These businesses connect local producers with local consumers; however, these activities should not be subsidized by the federal government*

Section 9003 would reauthorize the food safety education initiatives for \$1 million a year through fiscal year 2023, to remain available until expended. 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.

Section 9006 would amend [section 2118\(d\) of the Organic Foods Production Act of 1990](#) to direct the Secretary to establish expedited and emergency procedures related to food, crop, or human safety for placing a substance on the [National List](#). The provision would allow for an employee of an owner or operator of an organic farming operation to represent the owner or operator on the [National Organic Standards Board](#). The provision would reauthorize appropriations for the National Organic Program of \$15 million for fiscal year 2018, \$16.5 million for fiscal year 2019, \$18 million for fiscal year 2020, \$20 million for fiscal year 2021, \$22 million for fiscal year 2022, and \$24 million for fiscal year 2023. The provision would reauthorize appropriations for the Organic Production and Market Data Initiatives for \$5 million for each fiscal year through 2023, to remain available until expended, and would provide mandatory funding from the Commodity Credit Corporation of \$5 million for fiscal year 2019, to remain available until expended.

## **Title X: Crop Insurance**

Title X would make a series of amendments to the federal crop insurance programs. An overview of federal crop insurance programs can be found [here](#) from CRS.

*The [RSC's budget](#) has called for the reform of Federal Crop Insurance Programs, which "provides subsidized insurance for farmers to protect them from losses due to poor crop yields or lower than expected prices. Farmers only pay about 40 percent of premiums for crop insurance, with the taxpayers picking up the remaining 60 percent. While the insurance policies are offered by private companies, the federal government reimburses them for administrative costs and reinsures them to guarantee against losses. As described in [Farms and Free Enterprise](#), "crop insurance' is less about insurance and more about providing subsidies to farmers". This budget would make a modest reform to the crop insurance program by reducing subsidies to 30 percent of premium costs and eliminating the government's reimbursement to crop insurance companies for administrative expenses. This would save taxpayers more than [\\$47 billion over the next ten years](#). Over time, the federal government should transition out of subsidizing crop insurance, and instead allow the free market to meet the demand for this financial product."*

Section 10001 would amend [section 508\(b\)\(1\) of the Federal Crop Insurance Act](#) to strike the exception that provides that catastrophic risk protection plans shall not be available for crops and grasses used for grazing, thus applying protection plans to the specified crops. The provision would permit separate crop insurance policies, including a catastrophic risk protection plan, to be purchased for crops that can be both grazed and mechanically harvested on the same acres during the same growing season.

Section 10002 would increase the [administrative basic fee](#) from \$300 to \$500 for catastrophic risk protection per crop per county.

Section 10003 would amend [section 508\(c\)\(1\) of the Federal Crop Insurance Act](#) to make crops for which the producer has elected agriculture risk coverage (ARC), or that are enrolled in the stacked income protection plan, ineligible for coverage based on an area yield and loss basis, coverage based on a margin basis, or supplemental coverage.

Section 10004 would repeal the authority for performance-based discount. 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.

Section 10006 would amend [section 516\(b\)\(2\)\(C\)\(i\) of the Federal Crop Insurance Act](#) to extend the authority of the Federal Crop Insurance Corporation to pay costs and to reimburse expenses incurred for the operations and review of policies, plans of insurance, and related materials (including actuarial and related information), but not to exceed \$7 million for each fiscal year. The threshold is \$9 million in current law.

Section 10009 would discontinue partnerships for risk management development and implementation, and would reauthorize the Commodity Credit Corporation's ability to conduct research and development and carry out contracting and partnerships at not more than \$8 million for fiscal year 2019 and each subsequent fiscal year.

## **Title XI: Miscellaneous**

Title XI would establish a series of programs to include the National Animal Preparedness and Response Program to address the risk of introduction and spread of animal diseases that have an adverse effect on the livestock, as well as programs that support outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.

Section 11101 would establish the National Animal Preparedness and Response Program to address the risk of introduction and spread of animal diseases that have an adverse effect on the livestock and related industries of the United States. The provision would further establish a National Animal Health Vaccine Bank for the benefit of the domestic interests of the United States and to help protect the United States agriculture and food systems against terrorist attack, major disaster, and other emergencies. The provision would provide mandatory funding of \$250 million from the Commodity Credit Corporation for fiscal year 2019 to remain available until expended, of which \$30 million shall be made available to carry out the National Animal Health Laboratory Network, \$70 million shall be made available to carry out the National Animal Disease Preparedness and Response Program, and \$150 million shall be made available to establish and maintain the National Animal Health Vaccine Bank. The section would also provide \$50 million in mandatory funding for fiscal years 2020 through 2023 to remain available to be expended, of which \$30 million shall be made available each year to carry out the National Animal Disease Preparedness and Response Program, and reauthorizes annual appropriations of \$15 million to carry out the National Animal Health Laboratory through 2023.

Section 11102 would extend the authorization of [National Aquatic Animal Health Plan](#) through fiscal year 2023. 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.



Section 11201 would reauthorize mandatory funding of \$10 million from the Commodity Credit Corporation for each fiscal year and reauthorize appropriations of \$20 million for each fiscal year through 2023. In making grants and entering into contracts and other agreements, the Secretary would be directed to give priority to projects that deliver agricultural education to youth under the age of 18 in underserved and underrepresented communities; provide youth under the age of 18 with agricultural employment or volunteer opportunities, or both; and demonstrate experience in providing such education or opportunities to socially disadvantaged youth.

Section 11203 would establish the Commission on Farm Transitions-Needs for 2050, requiring the Commission to conduct a study on issues impacting the transition of agricultural operations from established farmers and ranchers to the next generation of farmers and ranchers.

Title XI would repeal a series of programs to include the Pima Agriculture Cotton Trust Fund, the Agriculture Wool Apparel Manufacturers Trust Fund, and wool research and promotion grants.

Section 11304 would establish the Textile Trust Fund in the Treasury of the United States to reduce the injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric; reduce the injury to domestic manufacturers resulting from tariffs on wool products that are higher than tariffs on certain apparel articles made of wool products; and wool research and promotion. Of the funds of the Commodity Credit Corporation, the Secretary would be directed to transfer to the Textile Trust Fund \$25.25 million for each of calendar years 2019 through 2023. The Secretary would be directed to use funds of the Commodity Credit Corporation to carry out [section 209 of the Agricultural Marketing Act of 1946](#) (7 U.S.C. 1627a), the sheep production and marketing program, \$2 million for fiscal year 2019, to remain available until expended.

Section 11501 would amend [section 196\(a\) of the Federal Agriculture Improvement and Reform Act](#) to define “eligible crop” to mean each commercial crop or other agricultural commodity that is produced for food or fiber (except livestock) for which catastrophic risk protection is not available.

Section 11605 would require the Secretary to provide a report on the potential inclusion of “products of natural stone” under the Commodity Promotion, Research, and Information Act of 1996.

*Some conservatives may be concerned this study would be biased towards the creation of a [checkoff program for natural stone](#).*

Section 11612 would prohibit the slaughter of dogs and cats for human consumption. Any person who violates this provision would be subject to imprisonment for not more than 1 year, or a fine of not more than \$2,500, or both. The provision would not be construed to limit any State or local law or regulations protecting the welfare of animals or to prevent a State or local governing body from adopting and enforcing animal welfare laws and regulations that are more stringent than the section.

Section 11701 would clarify that the government of a State or locality would not impose a standard or condition on the production or manufacture of any agricultural product sold or offered for sale in interstate commerce consistent with article I, section 8, clause 3 of the Constitution of the United States, if such production or manufacture occurs in another State; and the standard or condition is in addition to the standards and conditions applicable to such production pursuant to Federal law; and the laws of the State and locality where the production occurs.

## AMENDMENTS ADOPTED BY THE HOUSE:

1. [Rep. Banks \(R-IN\) \(#16\)](#): would repeal the final rule issued by the Administrator of the Environmental Protection Agency and the Secretary of the Army entitled “Clean Water Rule: Definition of ‘Waters of the United States’”, published on June 29, 2015 ([80 Fed. Reg. 37054](#)) and any regulation or policy revised under, or otherwise affected as a result of, that rule would be applied as if that rule had not been issued.

Many conservatives have expressed strong concerns regarding the WOTUS rule, and this amendment allow for Congress to determine the proper definition instead of unelected bureaucrats. An op-ed from the amendment’s sponsor can be found [here](#). [Americans for Prosperity](#) has expressed support.

2. [Rep. Hollingsworth \(R-IN\) \(#111\)](#): would authorize the Secretary of the Interior, in conjunction with the Director of the U.S. Fish and Wildlife Service, to issue depredation permits to livestock farmers, authorizing takings of black vultures otherwise prohibited by Federal law to prevent such vultures from taking livestock during the calving season. The Secretary would issue such permits only to livestock farmers in States and regions in which livestock farmers are affected by black vultures, as determined by Secretary of Interior in conjunction with the U.S. Fish and Wildlife Service.
3. [Rep. Johnson \(R-LA\) \(#94\)](#): would state that in determining whether a Federal agency action is likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of the critical habitat of a species, the Secretary would consider the offsetting effects of all avoidance, minimization, and other species-protection or conservation measures that are already in place or proposed to be implemented as part of the action, including the development, improvement, protection, or management of species habitat whether or not it is designated as critical habitat of such species.
4. [Rep. Roskam \(R-IL\) \(#14\)](#): would prohibit animal fighting by ensuring the [Animal Welfare Act](#) applies to all U.S. territories.
5. [Rep. Noem \(R-SD\) \(#60\)](#): would direct the Secretary to maintain in the Office of Partnerships and Public Engagement, an Office of Tribal Relations, which would advise the Secretary on policies related to Indian tribes and carry out such other functions as the Secretary considers appropriate.
6. [Rep. Costello \(R-PA\) \(#48\)](#): would direct the Secretary to designate a State beginning farmer and rancher coordinator from among existing employees of the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, the Rural Business-Cooperative Service, and the Rural Utilities Service.
7. [Rep. Faso \(R-NY\) \(#97\)](#): would state that in determining whether to add a genus of a plant for planting to the not authorized pending pest risk analysis list, the Secretary would consider the environmental impact on natural, managed, and urban ecosystems in the United States of a pest that may be carried on a plant for planting. The amendment would require a report to Congress on the Interception of Forest Pests.

8. [Rep. Stefanik \(R-NY\) \(#20\)](#): would state that in awarding the initial grants for forest restoration under the Competitive Forestry, Natural Resources, and Environmental Grants Program, the Secretary would give priority to applicants who will use such grants for research concerning: the biology of forest organisms, including physiology, genetic mechanisms, and biotechnology; ecosystem function and management, including forest ecosystem research, biodiversity, forest productivity, pest management; as well as other factors.
9. [Rep. Pearce \(R-NM\) \(#7\)](#): would direct the U.S. Forest Service to conduct a pilot project within the Lincoln National Forest, Cibola National Forest, and Gila National Forest in the State of New Mexico to analyze and demonstrate the effectiveness of various tools and techniques to address the following natural resource concerns: thinning for forest health, watershed improvement, habitat restoration.
10. [Rep. Cheney \(R-WY\) \(#106\)](#): would state that the Secretary concerned would, to the maximum extent practicable, make vacant grazing allotments available to a holder of a grazing permit or lease issued by such Secretary if the lands covered by the permit or lease are unusable because of a natural disaster (including a drought or wildfire), court-issued injunction, or conflict with wildlife. The amendment would effectively direct the U.S. Forest Service and the Department of Interior to make vacant allotments available to grazing permit or lease holders in the event of a natural disaster, conflict with wildlife, or court-issued injunction, to prevent a court injunction in the event that the federal agency is unable to make a vacant allotment available.
11. [Rep. Stefanik \(R-NY\) \(#19\)](#): would add invasive vegetation to [section 602 of the Healthy Forests Restoration Act](#).
12. [Rep. Turner \(R-OH\) \(#58\)](#): would state that beginning with fiscal year 2019, in making the calculation for base funding, any recently designated 1890 (land-grant) Institution would be deemed to have been designated as an eligible institution on or before September 30, 1978. For purposes of the amendment, a 'recently designated 1890 Institution' means an 1890 Institution designated as such on or after September 30, 1999, applying the same formula as already established 1890 Institutions.
13. [Rep. Gonzalez-Colon \(R-PR\) \(#26\)](#): would extend a study on comparable access to supplemental nutrition assistance to Puerto Rico.
14. [Rep. Young \(R-AK\) \(#92\)](#): would expand access to traditional foods at food service programs operated by states or counties, including and federally funded child nutrition and senior meal programs, for native populations.
15. [Rep. Faso \(R-NY\) \(#108\)](#): would provide states the flexibility to contract out administrative functions of SNAP. Personnel of the State agency or, at the option of the State agency and by contract with the State agency, personnel of an entity that has no direct or indirect financial interest in an approved retail food store, may undertake a certification or carry out any other function of the State agency under SNAP and without restriction by the Secretary on the State agency's use of nongovernmental employees to perform program eligibility or any other administrative function to carry out such program.

16. [Rep. Gonzalez-Colon \(R-PR\) \(#25\)](#): would direct the Secretary of Agriculture to conduct a study to determine the feasibility and impact of using a thrifty food plan developed exclusively to apply to calculate the amount of the block grant payable to Puerto Rico.

The [Thrifty Food Plan](#) is “the diet required to feed a family of four persons consisting of a man and a woman twenty through fifty, a child six through eight, and a child nine through eleven years of age” and is used to calculate SNAP allotments. The underlying bill would require the Secretary of Agriculture to reevaluate and update the market baskets of the Thrifty Food Plan by 2022 and every five years after that.

17. [Rep. Holding \(R-NC\) \(#74\)](#): would prohibit eligibility for the Supplemental Nutrition Assistance Program for convicted violent rapists, pedophiles and murderers after enactment into law.
18. [Rep. MacArthur \(R-NJ\) \(#107\)](#): Would provide that the remaining household members not become ineligible to apply for SNAP in an individual in the household fails to comply with the work requirement.
19. [Rep. Fortenberry \(R-NE\) \(#79\)](#): would establish sequencing and prioritization for volunteer visits and improves communication and coordination between the Department of Agriculture, USAID and implementing partners. The amendment would establish a geographically defined crop yield metrics system to assess improvements in crop yields in countries and areas receiving assistance; and store the data resulting from such geographically defined crop yield metrics system in a publicly available Internet database system. The amendment would establish a grant program for fiscal years 2019 through 2023 to facilitate new and innovative partnerships and activities.
20. [Rep. Faso \(R-NY\) \(#42\)](#): would expands the Department of Agriculture’s ability to assess natural resource concerns by extending the Soil and Water Resources Conservation program and would allow the Secretary to carry out a conservation effects assessment project to quantify the environmental and economic effects of conservation practices, develop the science base for managing the agricultural landscape for environmental quality and sustainable productive capacity, and improve the efficacy of conservation practices and programs by evaluating conservation effects.
21. [LaHood \(R-IL\) \(#13\)](#): would streamline the sign up process for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) by directing the Secretary of Agriculture to change the regulatory requirements from an annual sign up to a one-time filing process for ARC and PLC only. The amendment would allow producers on a farm to file a one-time program contract with the Secretary to enroll in agricultural risk coverage or price loss coverage through crop year 2023.
22. [Rep. Conaway \(R-TX\) \(#112\) \(Manager’s amendment\)](#): would make a series of technical and conforming changes.

*Categorical Eligibility*: The underlying bill would restrict the use of categorical eligibility to only instances where a beneficiary receives cash assistance or ongoing substantial services and who has an income of not more than 130 percent of the FPL.

The manager’s amendment would delay the effective date of this change to October 1, 2020.

*Heat and Eat:* The underlying bill would close the “Heat and Eat” loophole for households without an elderly member.

The manager’s amendment would allow the heat and eat loophole for households with a disabled member.

*Workforce Solutions:* The manager’s amendment would allow “volunteer work that is limited to 6 months out of a 12-month period” to satisfy the work requirement for able bodied adults

The manager’s amendment would add “a program of employment and training for veterans operated by the Department of Labor or the Department of Veterans Affairs, and approved by the Secretary [of Agriculture]” to the definition of a work program that could satisfy the work requirement for able bodied adults.

The manager’s amendment would require the chief executive officer of a state to approve of a request for a geographical waiver of work requirements.

The underlying bill would provide a waiver from the work requirements if the area has a 24-month average unemployment rate 20 percent or higher than the national average unless the average unemployment rate of the area is less than 6 percent. The manager’s amendment would raise the minimum unemployment rate for the waiver to apply to 7 percent.

The manager’s amendment would also tighten the lookback period so that the 24-month period used to determine the average unemployment rate is no earlier than the most recent 24-month period for which unemployment rates are available. Under current law, some states have gamed the lookback period to use older data.

The manager’s amendment would increase the number of covered individuals that a state may exempt from the work requirement by striking the requirement that the individual must not be complying with the work requirement in order to meet the definition of a covered individual.

The manager’s amendment would allow states exempt from the work requirement up to 15 percent of covered individuals that do not live in an area covered by a waiver or are otherwise exempt in FY 2021 – 2025, and would allow states to exempt up to 12 percent of covered individuals in FY 2026 and thereafter.

The manager’s amendment would strike the provisions of the bill that repealed the ability for SNAP beneficiaries to participate in a workfare program to meet the work requirements.

The manager’s amendment would add “or other house member” who has responsibility for the care of a child (in addition to the parent of such a child under current law) who may be exempted from the work requirement if they are enrolled at least half time in an institution of higher learning.

The manager’s amendment would repeal a provision of current law that requires the Secretary to reallocate Employment and Training funds that are not expended by a state to other states as the Secretary deems appropriate and equitable and instead require unspent funds to be deposited back in the general fund of the Treasury.

The manager's amendment would strike the provision in the underlying bill that would repeal the current law provisions related to the Work Supplementation or Support Program and Workfare.

The manager's amendment would allow state agencies to request earned income data from the IRS relevant to determining SNAP eligibility.

*Review of Operations:* The managers amendment would require a review of SNAP operations at senior citizen centers, drug and alcohol treatment centers, and other group living arrangements where SNAP benefits are allowed to be used.

*School Lunch Regulations:* The amendment would direct the Secretary to in consultation with school nutrition personnel and school leaders (including school administrators, school boards, and parents), to review and revise Obama regulations regarding the National School Lunch Program and School Breakfast Program.

*Broadband:* The amendment would direct the Secretary to consult with the Assistant Secretary to assist in the verification of eligibility of the broadband loan and grant programs of the Department of Agriculture.

*Food Access:* The Secretary would be directed to establish the position of Food Access Liaison to coordinate Department programs to reduce barriers to food access and monitor and evaluate the progress of such programs.

23. [Rep. Thornberry \(R-TX\) \(#28\)](#): would establish Cattle and Carcass Grading Correlation and Training Centers to provide education and training for cattle and carcass beef graders of the Agricultural Marketing Service, cattle producers, and other professionals involved in the reporting, delivery, and grading of feeder cattle, live cattle, and carcasses to limit the subjectivity in the application of beef grading standards; to provide producers with greater confidence in the price of the producers' cattle; and to provide investors with both long and short positions more assurance in the cattle delivery system. The Centers shall be located near cattle feeding and slaughter populations and areas would be strategically identified in order to capture regional variances in cattle production. Funds made available to carry out the section would not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility.
24. [Rep. Tipton \(R-CO\) \(#1\)](#): would authorize the U.S. Forest Service to convey 3.61 acres of Forest Service Land to Dolores County, Colorado for the strict purpose of building a fire station. Any costs relating to the conveyance, including processing and transaction costs, would be paid by the County.
25. [Rep. Pearce \(R-NM\) \(#8\)](#): would [amend section 4003 of the Omnibus Public Land Management Act of 2009](#) reauthorize the [Collaborative Forest Landscape Restoration Program](#) for \$40,000,000 for each of fiscal year until 2023 to remain available until expended. According to the Forest Service, "The purpose of the Collaborative Forest Landscape Restoration Program is to encourage the collaborative, science-based ecosystem restoration of priority forest landscapes."

26. [Rep. Westerman \(R-AR\) \(#77\)](#): would require the Department of Agriculture and the Department of Interior to submit a report to Congress on the number of acres of Federal land treated by the Secretary of Agriculture or the Secretary of the Interior for wildfire, insect infestation, or disease prevention; the number of acres of Federal land categorized as a high or extreme fire risk; the total timber production from Federal land; the number of acres and average fire intensity of wildfires affecting Federal land treated for wildfire, insect infestation, or disease prevention; the number of acres and average fire intensity of wildfires affecting Federal land not treated for wildfire, insect infestation, or disease prevention; and the Federal response time for each fire on greater than 25,000 acres.
27. [Rep. LaMalfa \(R-CA\) \(#31\)](#): would streamline the Forest Service process for consideration of communications facilities location applications. The Secretary of Agriculture would be directed to issue regulations to streamline the process for considering applications to locate or modify communications facilities on covered land; to ensure, to the maximum extent practicable, that the process is uniform and standardized across the organizational units of the Forest Service; and to require that the applications be considered and granted on a competitively neutral, technology neutral, and non-discriminatory basis. The Secretary of the Treasury would establish a special account in the Treasury for the Forest Service for the deposit of fees collected by the Forest Service for communications use authorizations on covered land granted, issued, or executed by the Forest Service.
28. [Rep. Pearce \(R-NM\) \(#6\)](#): would allow the Village of Santa Clara to purchase approximately 1,520 acres of National Forest System land from the United States Forest Service that was formerly part of Fort Bayard Military Reservation. The Village of Santa Clara would pay for all costs associated with the conveyance, including for the land survey, and any environmental analysis and resource surveys determined necessary by Federal law.
29. [Rep. Young \(R-AK\) \(#69\)](#): would exempt all National Forest System land in Alaska from the U.S. [Forest Service Roadless Rule](#).
30. [Rep. Westerman \(R-AR\) \(#76\)](#): would amend determinations in collaborative forest management plans. In an environmental assessment or environmental impact statement, the Secretary concerned would study, develop, and describe only the following two alternatives: the forest management activity; and the alternative of no action. As part of its weighing the equities while considering any request for an injunction that applies to any agency action as part of a forest management activity the court reviewing the agency action would balance the impact to the ecosystem likely affected by the forest management activity of the short- and long-term effects of undertaking the agency action; against the short- and long-term effects of not undertaking the action. The length of any preliminary injunctive relief and stays pending appeal that applies to any agency action as part of a forest management activity, would not exceed 60 days.
31. [Rep. Gianforte \(R-MT\) \(#56\)](#): would authorize salvage operation or reforestation activity proposed to be conducted on National Forest System lands or public lands adversely impacted by a large-scale catastrophic event to be completed within 60 days after the conclusion of the catastrophic event. The Secretary concerned would, to the maximum extent practicable, achieve reforestation of at least 75 percent of the impacted lands during the 5-year period following the conclusion of the catastrophic event, on public lands adversely impacted by a large-scale catastrophic event.

32. [Rep. Gosar \(R-AZ\) \(#4\)](#): would authorize counties or Indian tribes to be included in Good Neighbor Authority cooperative agreements and contracts.
33. [Rep. Herrera-Beutler \(R-WA\) \(#43\)](#): would direct the payment of a portion of stewardship project revenues to the county in which the stewardship project occurs. Services and in-kind resources received by the Chief or the Director under a stewardship contract project would not be considered monies received from the National Forest System or the public lands, but any payments made by the contractor to the Chief or Director under the project would be considered monies received from the National Forest System or the public lands.
34. [Rep. Thompson \(R-PA\) \(#82\)](#): would add Chronic Wasting Disease to Section 7208, High-Priority Research and Extension Initiatives, allowing for research and extension grants may be made under the bill for projects relating to treating, mitigating, or eliminating chronic wasting disease.
35. [Rep. Latta \(R-OH\) \(#47\)](#): would require the Federal Communications Commission (FCC), in consultation with the United States Department of Agriculture, to establish a Task Force for Reviewing the Connectivity and Technology Needs of Precision Agriculture in the United States. The task force would identify and measure current gaps in the availability of broadband Internet access service on agricultural land; develop policy recommendations to promote the rapid, expanded deployment of broadband Internet access service on unserved; and make other recommendations. The FCC would renew the Task Force every 2 years until the Task Force terminates on January 1, 2025. Some conservatives may believe these activities would be more appropriately handled by the private sector.
36. [Rep. Jones \(R-NC\) \(#3\)](#): would determine that the first 1,500 individuals who reside in housing located on a military base would not be included in determining whether an area is 'rural' or a 'rural area'. The amendment would apply this definition change to the Rural Broadband Loans and Guarantee Program and the Distance Learning and Telemedicine Loans and Grants program.
37. [Rep. Arrington \(R-TX\) \(#99\)](#): would modify the Community Facilities Direct Loan and Guarantee Loan Program and the Business and Industry Guaranteed Loan Program to include the refinancing of a debt obligation of a rural hospital as an eligible loan or loan guarantee purpose if the assistance would help preserve access to a health service in a rural community and meaningfully improve the financial position of the hospital.
38. [Rep. Bergman \(R-MI\) \(#49\)](#): would require the Government Accountability Office (GAO) to study the agricultural credit needs of farms, ranches, and related agricultural businesses that are owned or operated by Indian tribes on tribal lands; or enrolled members of Indian tribes on Indian allotments; and determine whether the institutions of the Farm Credit System have sufficient authority and resources to meet the needs. GAO would be directed to report to Congress. If GAO finds that the institutions of the Farm Credit System do not have sufficient authority or resources to meet the needs, the report would include legislative and other recommendations resulting in a system under which the needs are met in an equitable and effective manner.
39. [Rep. Rogers \(R-AL\) \(#100\)](#): would amend [section 3 of the Food and Nutrition Act of 2008](#) by allowing users of SNAP to purchase a multivitamin-mineral dietary supplement for home consumption with their SNAP benefits. The amendment would define a multivitamin-mineral



dietary supplement as a substance that provides at least half of the vitamins and minerals for which the National Academy of Medicine establishes dietary reference intakes, at 50 percent or more of the daily value for the intended life stage per daily serving as determined by the Food and Drug Administration; and does not exceed the tolerable upper intake levels for those nutrients.

Under [current law](#), SNAP benefits may only be used to purchase foods for the household to eat. Some conservatives may be concerned that the amendment would expand the use of SNAP benefits to non-food items.

40. [Rep. Gibbs \(R-OH\) \(#2\)](#): would state a sense of Congress that the Federal Government should recognize and encourage partnerships at the watershed level between nonpoint sources and regulated point sources to advance the goals of the [Federal Water Pollution Control Act](#) (Clean Water Act) and provide benefits to farmers, landowners, and the public.
41. [Rep. King \(R-IA\) \(#55\)](#): would authorize the Environmental Quality Incentives Program (EQIP) to allow contracts with drainage districts for the use of existing drainage systems, or to upgrade drainage systems, to provide irrigation or water efficiency.

The EQIP gives financial aid and technical assistance to farmers who implement certain soil and water conservation practices. According to CBO, the underlying bill would increase outlays for EQIP by \$2.092 billion over the FY 2019 – 2023 period and by \$7.693 billion over the FY 2019 – 2028 period.

## **OUTSIDE GROUPS:**

### **GROUPS OPPOSED**

- **Heritage Action:** “Heritage Action remains opposed to the committee-passed version of H.R. 2.”
- **Cato Institute:** [Will Congress Pass a Bloated Farm Bill?](#)
- **R Street:** [R Street disappointed with House Agriculture Committee’s farm bill draft](#)
- **Taxpayers for Common Sense:** [New Farm Bill Filled with Wasteful Ag Subsidies](#)
- **National Taxpayers Union:** [House Farm Bill Could Create New Entitlement Spending](#)
- **Americans for Prosperity & Freedom Partners:** [AFP and Freedom Partners Announce Opposition to Farm Bill in Joint Letter](#)

### **GROUPS IN SUPPORT:**

- **American Farm Bureau Federation:** [Farm Bill Resources In-Depth](#)
- **American Sugar Alliance:** [Sugar Farmers to Congress: Don’t Cut My Family Out of the Farm Bill](#)
- **Texas Farm Bureau:** [Texas Farm Bureau applauds 2018 Farm Bill](#)
- **National Corn Growers Association; Ducks Unlimited; Florida Sugar Cane League; American Association of Crop Insurers; American Sugarbeet Growers Association; National Cotton Council; Western Growers Association; Western Peanut Growers Association; as well as other groups:** [Letter urging support for crop insurance](#)

## **COMMODITIES AND OTHER PROVISIONS:**

- **Campaign for Liberty; Competitive Enterprise Institute; Coalition to Reduce Spending; Club for Growth; Council for Citizens Against Government Waste; FreedomWorks; Heritage Action; Independent Women’s Forum; Independent Women’s Voice; John Locke Foundation; R Street Institute; Rio Grande Foundation; Taxpayers for Common Sense; Taxpayers Protection Alliance:** [Coalition to Congress: Farm Bill Must Address Out-of-Control Subsidy Programs](#)
- **Environmental Working Group:** [The 23andMe Farm Bill?](#)
- **American Enterprise Institute:** [American Boondoggle: Fixing the Farm Bill](#)
- **Heritage Foundation:** [Rejecting Much-Needed Reforms, Agriculture Committee’s Farm Bill Favors Status Quo on Costly Subsidies](#)
- **Heritage Foundation:** [Farm Bill’s Out-of-Control Subsidies Are More About Cronyism Than a Safety Net](#)
- **Heritage Foundation:** [This Is a Bad Look: In Current Farm Bill, Conservatives Prop Up Rich Farmers](#)
- **Heritage Foundation:** [Significant—and Necessary—Farm Subsidy Reforms for the Next Farm Bill](#)
- **Heritage Foundation:** [Farms and Free Enterprise: A Blueprint for Agricultural Policy](#)
- **Americans for Prosperity:** [Farm Bill’s Special Treatment for Big Ag is Unnecessary and Costly](#)
- **Americans for Prosperity:** [Farm Bill the Latest, Greatest Example of America’s Out-of-Control Spending](#)
- **FreedomWorks:** [Agriculture Committee’s Farm Bill Proposal is a Mixed Bag](#)
- **R Street:** [GOP Farm Bill is Hypocritical on Welfare Reform](#)
- **R Street:** [4 Ways This Year’s Farm Bill Is Even Worse Than the Last](#)
- **Taxpayers for Common Sense:** [H.R. 2 Agriculture and Nutrition Act of 2018, AKA, the Farm Bill: Commentary and Analysis](#)

## **SNAP:**

- **American Enterprise Institute:** [The House Ag Committee’s Farm Bill proposal improves SNAP, but not enough](#)
- **Heritage Foundation:** [Food Stamp Reform Bill Requires Work for Only 20 Percent of Work-Capable Adults](#)
- **Heritage Foundation:** [Five Steps Congress Can Take to Encourage Work in the Food Stamps Program](#)
- **Foundation for Government Accountability:** [Farm Bill 2018 Resources](#)
- **Foundation for Government Accountability:** [State Impact Of The 2018 Farm Bill](#)
- **Foundation for Government Accountability:** [Waivers Gone Wild](#)
- **Secretaries Innovation Group:** [Action Call for Amendments to HR 2 to Eliminate the Geographic Exemptions Based on Residency for Individual Job Search and other Work Activities](#)

## **COMMITTEE ACTION:**

H.R. 2 was introduced on April 12, 2018, and was referred to the House Committee on Agriculture. On May 3, 2018, the bill was reported (amended) on [April 18, 2018](#), by a 26 – 20 vote. On May 18, 2018, the bill failed to pass the House by the yeas and nays: [198 – 213](#).

The RSC's legislative bulletin on the 2014 Farm Bill version which failed in the House on June 20, 2013 can be found [here](#), ([here](#) and [here](#) for the amendments bulletins). The RSC's legislative bulletins for the House-passed 2014 Farm Bill and conference report can be found [here](#) and [here](#) respectively.

### **ADMINISTRATION POSITION:**

According to the [Statement of Administration Policy](#), if H.R. 2 were presented to the President in its current form, his advisors would recommend that he sign the bill into law.

### **CONSTITUTIONAL AUTHORITY:**

According to the sponsor: "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."

Many conservatives may be concerned by this interpretation of the Constitution, which is an attempt to justify to a government of unlimited power to direct economic activity throughout the country, including by centrally-planned price fixing.

**NOTE:** *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*