Conference Report for H.R. 2 — Agriculture Improvement Act of 2018 (Rep. Conaway, R-TX)

FLOOR SCHEDULE:

Scheduled for consideration on December 12, 2018, pursuant to a Conference Report rule.

The rule would provide that section 7 of the War Powers Resolution shall not apply during the remainder of the One Hundred Fifteenth Congress to a concurrent resolution introduced pursuant to section 5 of the War Powers Resolution with respect to Yemen. *Some conservatives may be concerned that the House will vote on this provision prior to the bipartisan classified briefing on Yemen scheduled for Thursday, December 13, 2018.*

TOPLINE SUMMARY:

The Conference Report for H.R. 2 would authorize federal agriculture, conservation, and nutrition programs under the Department of Agriculture through FY 2023. The legislation is divided into 12 titles related to commodities, conservation, trade and international food assistance, nutrition, credit, rural infrastructure and economic development, agricultural research extension, forestry, energy, horticulture, crop insurance, as well as miscellaneous Department of Agriculture programs.

The text of the Conference Report can be found here. The Joint Explanatory Statement of the Committee of Conference can be found here.

COST:

Spending under H.R. 2 would total at least $428.3 billion over the FY 2019 – 2023 period and $867.3 billion over the FY 2019 – 2028 period.

The rules governing the Congressional Budget Office's (CBO) 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 $426.5 billion in farm bill spending over the FY 2019 – 2023 period and $867.2 billion over the FY 2019 – 2028 period.

According to a CBO estimate of the Conference Report's direct spending and revenue effects, the bill would increase direct (mandatory) spending relative to the baseline by $1.8 billion over the FY 2019 – 2023 period and $70 million over the FY 2019 – 2028 period. The bill would also increase revenues by $35 million over the FY 2019 – 2023 period and $70 million 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**
Farm Bill Spending in CBO Baseline	85,372	84,617	85,989	85,263	85,221	85,831	86,800	87,938	89,268	90,901	**426,462**	**867,200**
Changes in Direct Spending	1,406	664	-101	-124	-25	-73	-365	-333	-672	-307	**1,820**	**70**
Changes in Spending Subject to Appropriation*	?	?	?	?	?	?	?	?	?	?	**?**	**?**
Total Changes in Spending*	?	?	?	?	?	?	?	?	?	?	**?**	**?**
Total Spending Under H.R. 2*	86,778	85,281	85,888	85,139	85,196	85,758	86,435	87,605	88,596	90,594	**428,282**	**867,270**
Changes in Revenues	7	7	7	7	7	7	7	7	7	7	**35**	**70**

*The bill would increase spending subject to appropriation an unknown amount because "CBO has not estimated the additional discretionary spending that would result from implementing [the Conference Report for] H.R. 2." CBO did estimate that the House-passed version of the Farm 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 consequence, the total spending under the Farm Bill is unknown at this time.

CONSERVATIVE CONCERNS:

Cost: Many conservatives may be concerned that the bill increases mandatory spending, the primary driver of the debt and deficits. With the national debt 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. Some conservatives may be further concerned that because the bill would increase mandatory spending, it violates the House Republican Cut-Go Rule.

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.

Lack of SNAP Reforms: Many conservatives may be concerned that the bill fails to reform SNAP in any substantive way. The Conference Report does not include vital provisions from the House-passed bill to broaden the applicability of work requirements for able-bodied adults, restrict the ability of states to waive work requirements, or to close the Broad Based Categorical Eligibility and Heat and Eat Loopholes.

The failure of Congress to fulfil its promises to reform welfare will leave millions of families dependent on government and out of the workforce.

According to reports, the USDA plans to announce regulations related to SNAP work requirement waivers using its current law authority only after Congress passes the Farm Bill in an attempt to pressure Members into supporting a bill that lacks SNAP reform. Conservatives will be pleased if the administration finally follows up on the Advanced Notice of Proposed Rulemaking released in February

2018. However, conservatives know that regulations are no substitute for the need to take legislative action. The changes regulations can make are substantially more limited compared to what can be done by law. Regulations take time to promulgate and can be challenged in court. As quickly as a regulation can by implemented by this Administration, the next could strike it down, or perhaps even move policy in the wrong direction. Most importantly, conservative members believe that it is Congress that has the authority and responsibility to determine the law, and it should not further abdicate its Article I power to the Executive Branch.

Some conservative may be pleased the bill would make some changes to SNAP that would help reduce fraud and would slightly reduce the number of beneficiaries that are not already excepted or waived from work requirements.

Commodity Subsidies: Some conservatives may be concerned with federal agricultural policy and argue that there is no other sector of the economy that is as heavily subsidized or skewed by the federal government. Several conservatives have expressed that this goes against free-market principles, in which minimal government interference and the decisions of the consumer are the ultimate determining factors in economic activity. Some conservatives may be concerned that the bill could even boost commodity subsidies. Some conservatives may see the billions of dollars spent on farm subsidies as an example of corporate welfare.

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. According to Politico, "House Agriculture ranking member Collin Peterson (D-Minn.) told Red River Farm Network in an interview last week that he believes the dairy section is the best part of the final bill. It essentially guarantees that farms that have about 240 cows or fewer, or produce less than 5 million pounds of milk each year, won't lose money "unless you really try," Peterson said. "They got the best deal out of this, and they needed it because we're losing dairy farmers like crazy," Peterson said."

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; and Marketing Assistance Loans (MALs), result in an increase in direct spending for commodity subsidy programs.

Expansion of Farm Subsidies to Non-Farmer Relatives: Some conservatives may be concerned that the bill 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 effect of this provision is to expand the number of individuals eligible for subsidy payments, even if they are not actively engaged in farming.

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 would not reform the USDA's conservation program, as proposed by the House-passed bill.

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. domestic procurement requirements for agricultural commodities within the Food for Peace Act, making the delivery of food assistance more cumbersome and inefficient.

Energy Subsidies: Many conservatives may be concerned that the bill would include funding for a variety of energy subsidy programs.

Regulatory Relief: Some conservatives may be concerned that the bill fails to address the Waters of the U.S. (WOTUS) regulation from the EPA and other regulatory burdens faced by farmers and ranchers.

Forest Management: Some conservative may be concerned that even despite the historic wildfires in California, the bill does not include a number of forest management provisions from the House-passed bill.

Understanding the Bill: Some conservatives may be concerned that Members and Staff may feel that they will to adequately be able to read and fully understand the legislation by the time they are forced to cast a vote. While the process has complied with the three-day rule, the Farm Bill consists of hundreds of pages of complex policy that will result in significant government intervention in the economy and hundreds of billions in taxpayer spending. A comprehensive CBO estimate is not yet available. As the ranking member of the House Agriculture Committee, Rep. Collin Peterson recently stated, "There's concern on some of the members' part that when people find out what's in the bill it will start unraveling."

Sunset: Some conservatives may be concerned that the Conference Report would authorize certain discretionary appropriations and direct spending authority without a sunset date, in contravention of the House Majority Leader's "Sunset Requirement" floor protocol.

- **Expand the Size and Scope of the Federal Government?** Yes, the bill would expand several farm subsidy programs, while creating a number of new programs. The bill would increase mandatory spending.
- **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 several programs under the bill.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

The text of the Conference Report can be found here. The Joint Explanatory Statement of the Committee of Conference can be found here.

Highlights of the major provisions are included below:

- Title I: Commodities
- Title II: Conservation
- Title III: Trade
- Title IV: Nutrition

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, which 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.

The RSC Budget would eliminate these support programs.

According to CBO, Title I would increase direct (mandatory) spending relative to the baseline by $101 million over the FY 2019 – 2023 period and $263 million over the FY 2019 – 2028 period.

Commodity Policy:

The bill would continue the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) subsidy programs through 2023 and would make amendments to both programs.

The bill would authorize the owner of a farm to have a one-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 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 multiplied by the ratio of the average of the 2008 through 2012 national average yield per planted acre of the commodity and the average of the 2013 through 2017 national average yield per plated acre (with the ratio being no less than 90 percent or greater than 100 percent).

The bill would provide that beginning in crop year 2021 and thereafter, producers may change their subsidy program between ARC or PLC.

The bill would provide that in the case of a farm on which all of the cropland was planted to grass or pasture (including cropland that was idle or fallow) during 2009 through 2017, the Secretary shall maintain all base acres and payment yields for the covered commodities on the farm, except that no payment shall be made with respect to those base acres under the PLC or ARC programs for the 2019 through 2023 crop years. In addition, producers on a farm for which all the base acres are maintained under this provision are ineligible for the option to change their PLC / ARC election.

The bill 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.

Marketing Loans:

The bill would reauthorize nonrecourse loans for 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.

The bill would specify the loan rates for nonrecourse loans.

Sugar:

The bill would extend sugar subsidies through 2023.

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.

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.

Dairy:

The bill continues dairy subsidies and renames the program Dairy Margin Coverage (DMC).

According to Politico, "House Agriculture ranking member Collin Peterson (D-Minn.) told Red River Farm Network in an interview last week that he believes the dairy section is the best part of the final bill. It essentially guarantees that farms that have about 240 cows or fewer, or produce less than 5 million pounds of milk each year, won't lose money "unless you really try," Peterson said. "They got the best deal out of this, and they needed it because we're losing dairy farmers like crazy," Peterson said."

The bill would allow a dairy operation to participate in both the Dairy Risk Management Program and the livestock gross margin for dairy program, including on the same production.

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.

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."

Supplemental Agricultural Disaster Assistance:

The bill would expand supplemental disaster assistance programs for livestock.

Administration:

The bill 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. CBO estimates this provision would increase spending by $4 million annually.

Many conservatives may be concerned that the effect of this provision is to expand the number of individuals eligible for subsidy payments, even if they are not actually actively engaged in farming.

The bill would continue the suspension of permanent law price support authority in the Agriculture Marketing Adjustment Act of 1938 and the Agricultural Act of 1949 through 2023. The provision would continue to suspend quota provisions related to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938.

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.

According to CBO, Title II would increase direct (mandatory) spending relative to the baseline by $555 million over the FY 2019 – 2023 period and reduce spending $6 million over the FY 2019 – 2028 period.

The bill would increase the acreage limit for the CRP to 27 million acres.

The RSC's budget has called for prohibiting new enrollments in the Conservation Reserve Program and 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."

The bill would extend the farmable wetland program through 2023. The program encourages farmers to restore previously farmed wetlands and wetland buffer to improve vegetation and water flow.

The bill would reauthorize the environmental quality incentives program (EQIP). The program gives financial aid and technical assistance to farmers who implement certain soil and water conservation practices.

The bill 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 bill would provide $75 million in mandatory funding.

Title III: Trade

Title III reauthorizes a series of agricultural programs that seek to develop overseas markets for U.S. agricultural products. 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.

According to CBO, Title III would increase direct (mandatory) spending relative to the baseline by $235 million over the FY 2019 – 2023 period and $470 million over the FY 2019 – 2028 period.

Food for Peace:

The Food for Peace Act is a collection of policies designed to conditionally sell or give U.S.-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.

The bill would require 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.

The bill would provide the Administrator of U.S. Agency for International Development (USAID) discretion in the levels of local sales and strikes the minimum level of local sales for non-emergency programs.

The bill 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.

Market Access Programs:

The bill would establish the Agricultural Trade Promotion and Facilitation program in the Agricultural Trade Act of 1978, 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 bill would provide a total of $255 million in annual mandatory funding, including: MAP not less than $200 million annually; FMD not less than $34.5 million annually; EMP not more than $8 million annually;

TASC at $9 million annually; and the Priority Trade Fund at $3.5 million annually to be distributed at the Secretary's discretion.

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." Its elimination would result in saving $2 billion over ten years.

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."

Agricultural Trade:

The bill 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 bill 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.

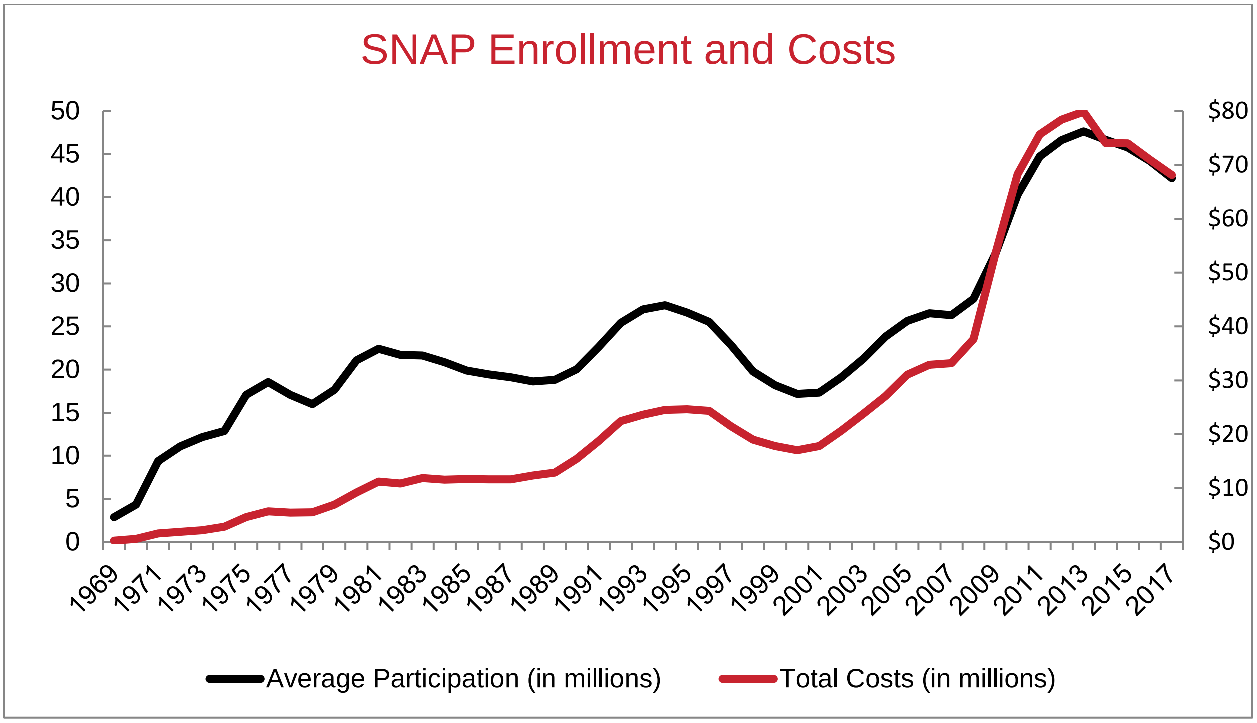
The bill would authorize the McGovern-Dole International Food for Education and Child Nutrition Program through 2023. The program provides a combination of food assistance and financial and technical assistance to foreign countries to improve child nutrition. Like with many other programs, some food can be sold locally to fund operations.

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 2000.1 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 relatively minor modifications to the program.

According to CBO, Title IV would increase direct (mandatory) spending relative to the baseline by $98 million over the FY 2019 – 2023 period and would be spending-neutral over the FY 2019 – 2028 period.

Many conservatives will be concerned that while the House passed bill would have made a number of changes to SNAP, including expanding the applicability of work requirements for able bodied adults, restricting waivers of work requirements, closing the broad based categorical eligibility and "heat and eat" loopholes, and requiring cooperation with child support enforcement, the Conference Report only makes relatively minor reforms to the program.

According to reports, the USDA plans to announce regulations related to SNAP work requirement waivers using its current law authority only after Congress passes the Farm Bill, in an attempt to pressure Members into supporting a bill that lacks SNAP reform. Conservatives will be pleased if the administration finally follows up on the Advanced Notice of Proposed Rulemaking released in February 2018. However, conservatives know that regulations are no substitute for the need to take legislative action. The changes regulations can make are substantially more limited compared to what can be done by law. Regulations take time to promulgate and can be challenged in court. As quickly as a regulation can by implemented by this Administration, the next could strike it down, or perhaps even move policy in the wrong direction. Most importantly, it is Congress that has the authority and responsibility to determine the law, and it should not further abdicate its Article I power to the Executive Branch.

Employment and Training for Supplemental Nutrition Assistance Program:

Employment and Training Program: 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."

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 House-passed bill would have dramatically expanded the employment and training program to $1 billion annually and required states to offer services, including case management, for every able-bodied adult that would be subject to the work requirements in the House bill.

The current bill would increase the level of base annual funding to $103.9 million annually (increased from $90 million). The bill would double the minimum allocation to a state to at least $100,000. The bill would modify the formula for reallocating funds that are unused by a state to other states.

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 and apprenticeships."

The bill would allow a participant in a workforce partnership to be considered as complying with the requirements of an employment and training program.

Additional Options to Satisfy Work Requirements: The bill would allow employment and training programs for veterans and workforce partnerships to satisfy the Able-Bodied Adults Without Dependents (ABAWD) work requirement.

Governor Request for Waivers: The bill would require the chief executive officer of a state to support the request by a state agency to waive work requirements in a state.

Unlike the House-passed bill, the current bill does not tighten the allowable conditions under which states would be allowed to waive work requirements.

Exemptions from Work Requirements: Under current law, a state may provide an exemption of the work requirement for up to 15 percent of the covered individuals that would otherwise not be waived or excepted from the ABAWD work requirement.

The bill would lower this allowable exemption to no more than 12 percent beginning in FY 2020. Unused exemptions would be allowed to carry over and accrue.

According to analysis of the House-passed bill by both the Heritage Foundation and the Foundation for Government Accountability, the effect of the ability of states to exempt beneficiaries from work requirements using this provision is very small compared to the ability of states to waive entire geographic areas from being subject to work requirements. Reporting by Politico states that "The final bill would slightly tweak how exemptions work, but the change is so minimal it doesn't register as saving any money, according to the CBO."

According to CBO, these provisions would increase direct (mandatory) spending relative to the baseline by $115 million over the FY 2019 – 2023 period and $234 million over the FY 2019 – 2028 period.

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.

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.

Food Distribution Programs on Indian Reservations: The bill would reauthorize through 2023, and make modifications to, the Food Distribution Program On Indian Reservations. The bill would require the Federal government to pay not less than 80 percent of administrative and distribution costs, and allow the Secretary to waive all of the non-Federal share.

According to CBO, these provisions would increase direct (mandatory) spending relative to the baseline by $14 million over the FY 2019 – 2023 period and $34 million over the FY 2019 – 2028 period.

Simplified Homeless Housing Costs: Under SNAP current law, households must 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, these provisions would increase direct (mandatory) spending relative to the baseline by $35 million over the FY 2019 – 2023 period and $75 million over the FY 2019 – 2028 period.

Improvements to Electronic Benefit Transfer System:

The bill would require the Secretary to periodically review regulations related to the electronic benefit transfer (EBT) system to take into account evolving technology, including risk-based measures and alternatives for securing transactions.

The bill would require a state to expunge SNAP benefits from an EBT card that has not been accessed after nine months. The bill would require the state to provide notice at least 30 days before benefits are to be expunged.

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," through 2023.

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, these provisions would increase direct (mandatory) spending relative to the baseline by $46 million over the FY 2019 – 2023 period and $74 million over the FY 2019 – 2028 period.

Review of Supplemental Nutrition Assistance Program Operations: The bill would require a review of group living facilities "to determine whether benefits are properly used by or on behalf of participating households residing in such facilities and whether such facilities are using more than 1 source of Federal or State funding to meet the food needs of residents."

Retail Incentives: The bill would require guidance that would allow retail food stores to provide bonuses to SNAP participants that purchase fruits, vegetables, whole grains, 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.

Interstate Data Matching to Prevent Multiple Issuances: The bill would require the establishment of a National Accuracy Clearinghouse to prevent SNAP participants from receiving benefits from more than one state.

According to CBO, these provisions would reduce direct (mandatory) spending relative to the baseline by $131 million over the FY 2019 – 2023 period and $576 million over the FY 2019 – 2028 period.

Quality Control Improvements: 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.

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 repeal the performance bonus payments.

According to CBO, these provisions would reduce direct (mandatory) spending relative to the baseline by $240 million over the FY 2019 – 2023 period and $480 million over the FY 2019 – 2028 period.

Evaluation of Child Support Enforcement Cooperation Requirements: 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 require a study on enforcing child support as a condition for receiving SNAP.

According to CBO, these provisions would increase direct (mandatory) spending relative to the baseline by $5 million over the FY 2019 – 2023 period and $5 million over the FY 2019 – 2028 period.

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.

According to CBO, Title V would not affect direct spending.

The bill 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 if the farmer meets certain requirements.

The bill would extend the authorization for the Conservation Loan and Loan Guarantee Program.

The bill would increase the indebtedness limit for direct ownership loans from $300,000 to $600,000 for FYs 2019 through 2023; and guaranteed ownership loans from $700,000 to $1,750,000 for FYs 2019 through 2023.

The bill would increase the indebtedness limit for direct operating loans from $300,000 to $400,000 for FYs 2019 through 2023 and for guaranteed operating loans from $700,000 to $1,750,000 for FYs 2010 through 2023.

The bill would allow the Secretary to make loans to cooperatives, credit unions and nonprofit organizations to relend for projects that assist heirs with undivided ownership interests to resolve ownership and succession on farmland that has multiple owners.

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.

According to CBO, Title VI would reduce direct (mandatory) spending relative to the baseline by $530 million over the FY 2019 – 2023 period and $2.5 billion over the FY 2019 – 2028 period.

Health:

The bill would require prioritization and set asides for telemedicine projects that provide substance use disorder treatment services, entities to develop facilities to provide substance use disorder services, and for substance use disorder education and treatment and the prevention of substance use disorder as a part of the Community Facility, Distance Learning and Telemedicine and Rural Health and Safety Education Programs over the FY 2019 – 2025 period.

The bill would reauthorize the Distance Learning and Telemedicine program.

Broadband:

The bill would require the USDA to make grants, loans, and guarantee loans to finance rural broadband projects.

The bill would allow the Broadband Loan Program to refinance telephone and broadband loans using proceeds from loans or loan guarantees made under the Act.

Water:

The bill would extend a number of rural water programs.

Rural Electrification:

The bill would authorize the Secretary to refinance electric and telephone loans made by the Rural Utilities Service. This provision would cost $800 million, according to CBO.

The bill would cease additional deposits into the Cushion of Credit beginning on the date of enactment of the Agriculture Improvement Act of 2018; and to modify the interest paid on Cushion of Credit deposits from a fixed interest rate of 5 percent currently paid on Cushion of Credit deposits to 4 percent in fiscal year 2021, and to an amount equal to the 1-year Treasury rate thereafter. According to CBO, this would reduce outlays by $3.3 billion over the FY 2019 – 2028 period.

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.

According to CBO, Title VII would increase direct (mandatory) spending relative to the baseline by $365 million over the FY 2019 – 2023 period and $615 million over the FY 2019 – 2028 period.

The bill would extend a number of committees.

The bill would extend the nutrition education program.

The bill would allow 1890 land grant colleges to carry forward 20 percent of funds received in a fiscal year.

The bill would require the Secretary to award grants to 1890 institutions for awarding scholarships to students who intend to pursue a career in food and agricultural sciences. According to CBO, this would increase outlays by $40 million.

The bill 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 $20 million for fiscal years 2019 and 2020, $25 million for 2020, and $50 million for 2023 and thereafter. According to CBO, this would increase outlays by $380 million over the FY 2019 – 2028 period.

Title VIII: Forestry

Title VIII would reauthorize a series of programs 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.

According to CBO, Title VIII would not affect direct spending.

The bill would make amendments to the Cooperative Forestry Assistance Act of 1978.

The bill would repeal a number of programs under the Forest and Rangeland Renewable Resources Research Act of 1978.

The bill would repeal the study on reforestation and improved management in the Global Climate Change Prevention Act of 1990.

The bill would reauthorize and amend programs under the Healthy Forests Restoration Act of 2003, including authorizations of appropriations for hazardous fuel reduction on federal land.

The bill would authorize the use of a categorical exclusion by the Secretary of Agriculture and the Secretary of Interior for forest management activities with the primary purpose of protecting, restoring, or improving habitat for the greater sage-grouse or mule deer.

The bill includes a number of provisions modifying or conveying federal land holdings.

Some conservatives may be concerned that even despite the historic wildfires in California, the bill does not include a number of forest management provisions from the House-passed bill.

Title IX Energy

Title IX would add a new title to the farm Bill to extend energy subsidy programs.

Many conservatives may be concerned that the bill would include funding for a variety of energy subsidy programs.

According to CBO, Title IX would increase direct (mandatory) spending relative to the baseline by $109 million over the FY 2019 – 2023 period and $125 million over the FY 2019 – 2028 period.

The bill would extend mandatory spending for the biobased markets subsidy program.

The bill would extend biorefinery assistance subsidies and provide $50 million in mandatory funding for 2019 and $25 million for 2020 and maintains an authorization of appropriations of $75 million through fiscal year 2023.

The bill would extend the bioenergy for advanced biofuels subsidy program and authorize $7 million in mandatory funding for fiscal years 2018 through 2023 and maintain an authorization of appropriations in the amount of $20 million for fiscal years 2019 through 2023.

The bill would extend the biodiesel fuel education subsidy program and authorize to be appropriated $2 million annually for fiscal year 2019 through fiscal year 2023 and eliminate mandatory funding for the program.

The bill would extend the Rural Energy for America subsidy program.

The bill would extend the biomass crop assistance subsidy program and authorize to be appropriated $25 million annually for fiscal year 2019 through fiscal year 2023 and eliminates the mandatory funding provision, and also add algae as an eligible material to be subsidized.

The bill would establish a carbon utilization and biogas education subsidy program.

Title X: Horticulture

More information on the Horticulture Title Provisions can be found here from CRS.

According to CBO, Title X would increase direct (mandatory) spending relative to the baseline by $250 million over the FY 2019 – 2023 period and $500 million over the FY 2019 – 2028 period.

Section 10101 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 10102 would combine the purposes and coordinate the functions of 1) the Farmers' Market and Local Food Promotion Program; and 2) the value-added agricultural product market development grants program. Accordingly, the USDA would be directed to create a combined program called the Local Agriculture Market Program (LAMP), but grant functions for the two programs would still be administered by the Agriculture Marketing Service and the Rural Business-Cooperative Service, respectively. The USDA would be authorized to provide grants (capped at $500,000 each) for each of fiscal years 2019 through 2023 with funding made available under this section. Grants awarded under LAMP would have matching fund requirements.

LAMP would be authorized to award grants for each of fiscal years 2019 through 2023 to partnerships to plan and develop a local or regional food system.

The section would direct the use of $50 million in mandatory funding to carry out LAMP for fiscal year 2019 and each fiscal year thereafter, to remain available until expended. The section also authorizes an annual appropriation of $20 million for fiscal year 2019 and each fiscal year thereafter, to remain available until expended.

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."

Furthermore, conservatives may be concerned that the Conference Report would authorize discretionary appropriations and direct spending authority without a sunset date in contravention of the House Majority Leader's "Sunset Requirement" floor protocol.

Section 10103 would reauthorize the Organic Production and Market Data Initiatives through FY 2023 with $5 million in mandatory funding for the entirety of FY 2019 through FY 2023 that would remain available until expended. The section would additionally authorize annual discretionary appropriations of $5 million through FY2023, that would remain available until expended. Under the program, the USDA is directed to collect and report data on the production and marketing of organic agricultural products.

10104 would require the USDA to issue regulations to limit the type of organic operations that are excluded from organic certification and modifies the definition of "certifying agent", and creates a new definition for "national organic program import certificate". It would amend current law pertaining to the accreditation of individuals certifying a farm or handling operation as organic to allow certifying agents to require additional documentation and verification prior to awarding organic certification. Further, the section would direct the USDA to require an imported agricultural product to be accompanied by a complete and valid national organic import certificate in order to represented as organically produced. The section authorizes the USDA to suspend the operations of the certifying agent or entity if it determines they are non-compliant.

The section would allow employees of an owner or operator of an organic farming operation to represent them on the National Organic Standards Board.

The section would require parties to an investigation to share confidential business information with Federal Government officers and employees involved in the investigation.

The section would require the establishment of a joint working group between the USDA and the Department of Homeland Security (DHS) "to facilitate coordination and information sharing between the Department of Agriculture and U.S. Customs and Border Protection relating to imports of organically produced agricultural products."

For the National Organic Program, which is responsible for certification of organics, the section would boost the authorization for appropriations to $16.5 million in FY2019, $18 million in FY2020, $20 million in FY2021, $22 million in FY2022, and $24 million in FY2023. The section would also provide $5 million in mandatory funding for FY 2019 to come from the Commodity Credit Corporation.

Section 10105 would provide $24 million in mandatory Commodity Credit Corporation funding for fiscal years 2019 through 2023, which would remain available until expended.

Section 1006 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 10107 would reauthorize the Specialty Crop Block Grant program through FY 2023 with $5 billion in mandatory funding each year to remain available until expended. It clarifies that the USDA may directly administer all aspects of multistate projects under the grant program for applicants in a nonparticipating State. The section provides for performance evaluation measures for the program.

Section 10108 would create a definition for asexually reproduced plants, add extend intellectual property protections to such plants.

Section 10113 would add a new Subtitle to the Agriculture Marketing Act of 1946. The new Subtitle would allow states to regulate hemp growth and production pursuant to a state (or tribe) plan. The bill would not preempt states that choose to regulate hemp in a more stringent manner. The USDA would have to regulate hemp production in states without approved plans. *Conservatives may be concerned that the section would authorize the appropriation of "such sums as are necessary to carry out this subtitle."*

Section 10114 would declare that nothing in the preceding section would prohibit the interstate commerce of hemp, and that no state shall prohibit the transportation of hemp through their state.

Section 10115 would establish an Interagency Working Group comprised of the Departments of Agriculture, Commerce, and Interior, the Council on Environmental Quality, and the EPA. The Group would provide recommendations regarding, and to implement a strategy for improving, the consultation process required under section 7 of the Endangered Species Act.

Section 10016 would require a study on the use of Methyl Bromide in response to an emergency event.

Title XI: Crop Insurance

Title XI would make a series of amendments to the federal crop insurance programs. An overview of federal crop insurance programs can be fund 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"…Over time, the federal government should transition out of subsiding crop insurance, and instead allow the free market to meet the demand for this financial product."

According to CBO, Title XI would reduce direct (mandatory) spending relative to the baseline by $47 million over the FY 2019 – 2023 period and $104 million over the FY 2019 – 2028 period.

Section 11102 would require that certain data collected by the National Agricultural Statistics Service and through the noninsured crop disaster assistance program be provided to the Federal Crop Insurance Corporation (FCIC).

Section 11103 would require the USDA to share records with private developers of crop insurance products who have received research and development payments.

Section 11105 would require the manager of the FCIC to prepare plans for expanding crop insurance.

Section 11107 would ensure that cover crops are considered a good farming practice.

Section 11108 would amend the term "underserved producer" to include a beginning farmer or rancher, a veteran farmer or rancher, or a socially disadvantaged farmer or rancher. These include members of Indian Tribes.

Section 11109 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 11110 would increase the administrative basic fee from $300 to $655 for catastrophic risk protection per crop per county.

Section 11111 would let a producer combine existing enterprise units to make a single enterprise unit. Existing enterprise units could also be combined with existing basic and optional units.

Section 11113 would provide the FCIC with waiver authority for hemp policy or pilot programs for purposes of the requirement that the proposed policy or program will likely result in a viable and marketable policy.

Section 11114 would institute reductions in benefits for insurance crops after native sod acreage has been tilled under certain circumstances.

Section 11116 would generally require crop insurance providers to give the FCIC the actual production history used to determine insurable yields within 30 days.

Section 11117 would require the FCIC to establish continuing education requirements for loss adjusters and agents of approved insurance providers.

Section 11118 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 11121 would waive the viability and marketability requirements for hemp that apply to the payment or advance payment or reimbursement of research and development costs.

Section 11122 would require the FCIC to hold stakeholder meetings to potentially modify procedures and paperwork requirements. The section would also define a "beginning farmer or rancher" to include those that have not operated or managed a farm for more than 10 crop years for purposes of the research and development reimbursement. The section would allow the FCIC to conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies.

Section 11123 would decrease funding for research and development conducted by the FCIC from $12.5 million to $8 million a year for FY 2019 and each subsequent year. It would also would discontinue partnerships for risk management development and implementation.

Section 11125 would consolidate the partnerships for risk management education program with crop insurance education grants for underserved producers. The section would also consolidate the funding.

Title XII: Miscellaneous

Title XI would establish a variety 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 livestock, as well as programs that support outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.

According to CBO, Title XII would increase direct (mandatory) spending relative to the baseline by $685 million over the FY 2019 – 2023 period and $738 million over the FY 2019 – 2028 period.

Livestock:

The bill would establish the National Animal Disease Preparedness and Response Program (NADPRP) and the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB). The bill provides $120 million of mandatory funding for the period of fiscal years 2019-2022, of which $100 million is to be allocated among the NAHLN, the NADPRP and the NAVVCB. It further provides $30 million of mandatory funding for fiscal year 2023 and each year thereafter, of which $12 million is to be allocated among the NAHLN, the NADPRP and the NAVVCB. Additionally, the authorization for appropriations for the NAHLN is increased to $30 million per year for fiscal years 2019-2023, to remain available until expended.

Agriculture and Food Defense:

The bill would repeal the Office of Homeland Security created in the 2008 Food, Conservation, and Energy Act and would establish an Office of Homeland Security and authorize an Agriculture and Food Threat Awareness Partnership Program.

The bill would amend the considerations for selecting pathogenic biological agents to be added to the list of biological agents and toxins.

Historically Underserved Producers:

The bill would provide for grants under the Beginning Farmer and Rancher Development Grant Program, including $30 million in mandatory funding in fiscal years 2019 and 2020, $35 million in fiscal year 2021, $40 million for fiscal year 2022, and $50 million for fiscal year 2023 and each year thereafter and authorizes $50 million a year in appropriations for FY 2019-2023.

The bill would establish an Office and Director of Urban Agriculture and Innovative Production to "encourage and promote urban, indoor, and other emerging agricultural production practices," and establish an Urban Agriculture and Innovative Production Advisory Committee.

The bill would establish the USDA Tribal Advisory Committee to advise the Secretary on tribal agricultural topics.

Department of Agriculture Reorganization Act of 1994 Amendments:

The bill would make changes to the organization of the USDA.

Other Miscellaneous Provisions:

The bill would reauthorize the ACER Access and Development Program to further subsidize the domestic maple syrup industry.

The bill would create marketing orders for cherries and pecans.

The RSC Budget would eliminate all marketing orders: "The federal government currently operates 29 marketing orders for different fruits, vegetables, and specialty crops. These agreements, which date back to the market intrusions of the New Deal, allow the government to collude with segments of certain industries to restrict the supply of food to consumers. The cartels created by the agreement are given tools such as volume controls, minimum quality standards, and packaging requirements."

The bill would establish a National Century Farms Program to recognize state programs and farms that have been in continuous operation by the same family for at least 100 years.

The bill would require a study on the importation of live dogs.

The bill would prohibit the slaughter of dogs and cats for human consumption. Any person who violates this provision would be subject a fine of not more than $5,000. 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.

The bill would provide for protective details for the Secretary and Deputy Secretary of the USDA.

General Provisions:

The bill would reauthorize subsidies for wool and cotton.

The bill would establish an Emergency Citrus Disease Research and Development Trust Fund and require the Secretary to transfer to the Citrus Trust Fund $25 million from the Commodity Credit Corporation for each of fiscal years 2019 through 2023.

The bill 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.

The bill would extend a prohibition on animal fighting to territories.

The bill would amend the Controlled Substances Act to exclude hemp from the definition of 'marihuana'.

OUTSIDE GROUPS:

GROUPS OPPOSED

Club for Growth: **KEY VOTE ALERT – "NO" ON THE FARM BILL CONFERENCE REPORT (HR 2)**

FreedomWorks: Key Vote NO on the Conference Report for the Agriculture and Nutrition Act, H.R. 2

Heritage Action: KEY VOTE: "NO" ON FARM BILL CONFERENCE REPORT (H.R. 2)

National Taxpayers Union: **Rushing Farm Bill Vote Irresponsible, Senators Should Oppose**

Cato Institute: Opinion: Congress Shouldn't Have To Pass The Farm Bill To Find Out What's In It

R Street: Tear Up the Farm Bill and Start Over

Taxpayers for Common Sense: Top 10 Worst Provisions in the 2018 Farm Bill

Citizens Against Government Waste: CAGW Blasts Embarrassing Farm Bill and Rushed Vote

GROUPS IN SUPPORT:

American Farm Bureau Federation

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
- **Manhattan Institute:** Congress Finds Bipartisanship in Farm Welfare
- **National Taxpayers Union:** Billionaires and Beach Bums Should Not Receive Farm Subsidies
- **National Taxpayers Union Foundation**: Tariffs and Retaliatory Actions Add to the Uncertainty of CBO's Farm Bill Cost Estimates

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.

The bill originally failed to pass the House on May 18, 2018, by a 198 – 213 vote. The bill then passed the House on June 21, 2018, by a 213 – 211 vote. The RSC Legislative Bulletin for H.R. 2 as passed the House (including adopted amendments) can be found here. Legislative Bulletins on amendments to H.R. 2 debated in the House can be found here (Part I) and here (Part II).

The Senate passed the bill with an amendment on June 28, 2018, by an 86 – 11 vote.

The Conference Report was publicly released at 9:29 PM on December 10, 2018.

The Senate passed the Conference Report on December 11, 2018, by an 87 – 13 vote.

The RSC 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 Legislative Bulletins for the House-passed 2014 Farm Bill and conference report can be found here and here respectively.

ADMINISTRATION POSITION:

An official statement of Administration Policy is not available.

President Trump has Tweeted several times about the importance of work requirements in the Farm Bill:


Donald J. Trump @realDonaldTrump · Sep 13
Senator Debbie Stabenow and the Democrats are totally against approving the **Farm Bill**. They are fighting tooth and nail to not allow our Great Farmers to get what they so richly deserve. Work requirements are imperative and the Dems are a NO. Not good!
18K 20K 69K

Donald J. Trump @realDonaldTrump · Sep 5
The Trump Economy is booming with help of House and Senate GOP. #FarmBill with SNAP work requirements will bolster farmers and get America back to work. Pass the **Farm Bill** with SNAP work requirements!
8.2K 14K 59K

Donald J. Trump @realDonaldTrump · Aug 2
When the House and Senate meet on the very important **Farm Bill** – we love our farmers - hopefully they will be able to leave the WORK REQUIREMENTS FOR FOOD STAMPS PROVISION that the House approved. Senate should go to 51 votes!
8.5K 13K 61K

Donald J. Trump @realDonaldTrump · Jun 21
Farm Bill just passed in the House. So happy to see work requirements included. Big win for the farmers!
5.9K 15K 74K

Donald J. Trump @realDonaldTrump · May 17
Tomorrow, the House will vote on a strong **Farm Bill**, which includes work requirements. We must support our Nation's great farmers!
6.9K 14K 71K

USDA Secretary Perdue issued a statement on the Conference Report, concluding "If Congress passes this legislation, I will encourage the President to sign it."

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.*

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