## 2014 Farm Bill

Every five years, Congress passes a bundle of legislation, commonly called the "Farm Bill" that sets national agriculture, nutrition, conservation, and forestry policy. The last Farm Bill was passed in 2008, and expired in 2012. A partial extension was passed on January 1 to extend several expired Farm Bill programs. The Agriculture Reform, Food and Jobs Act of 2013 passed the Senate with an overwhelming bipartisan majority of 66-27 on June 10, 2013.

#### Conference Report

Agricultural Act of 2014 - Bill Text (../../../adownload/?id=5A49E61C-E2DD-4538-B3E9-72E7F6A6B402) (Posted 1/27/14)

Statement of Managers (../../../download/?id=0964D0E5-91A0-4938-9C78-8A48E687B761)

Congressionally Directed Spending (../../../adownload/?id=1B8C7BCA-142C-4EE6-BF42-F4DA10DF7A96)

#### **Summaries**

Summary of the Agriculture Reform, Food and Jobs Act of 2013 (../../../.download/?id=dfe429ca-4069-4119-a8ee-359dfb29e9c3)

(Updated 5/17) CBO Analysis of S.954, the Agriculture Reform, Food and Jobs Act of 2013 (http://cbo.gov/sites/default/files/cbofiles/attachments/s954 StabenowLtr 0.pdf)

#### Legislative Text

S. 954 - Agriculture Reform, Food and Jobs Act of 2013 (Senate Passed, as sent to the House) (.../../../download/?id=60b7860d-a8dc-4e8b-91e0-d61356974817)

Committee Report on S.954 the Agriculture Reform Food and Jobs Act (../../../download/?id=7DEA2EAA-3195-4D72-ABCD-825B12E437E1)

S. 954 - Agriculture Reform, Food and Jobs Act of 2013 (Committee Passed; Version introduced in the full Senate) (../../../download /?id=e6ffd238-c33f-4d59-832a-5b2a0f41d3aa)

Agriculture Reform, Food and Jobs Act of 2013 (../../../download/?id=8413a981-3431-486a-a62f-626a1d6c2374) (../../../../ownload/?id=e6ffd238-c33f-4d59-832a-5b2a0f41d3aa)(Original text before markup)

### Amendments Offered at Markup

Stabenow-Cochran Amendments (offered en bloc, approved by voice vote)

- Baucus Amendment #5 (2013) (../../../download/?id=91a760bb-8572-4e8f-9ac3-395e9e940ab1)
- Baucus Amendment #9 (2013) (../../../download/?id=04d261cd-febc-4e20-b4d1-e798c6821ba2)
- Boozman Amendment #1 (2013) (../../../download/?id=fc10ce54-0023-4a4a-8c22-72f03796f168)
- Boozman Amendment #2 (2013) (../../.../download/?id=57c10a8c-ff25-420c-ad14-e2d0a5435afc)
- Chambliss Amendment #2 (2013) (../../../download/?id=d7fa3779-ad54-4cbb-bd28-d17141284991)
- Cochran Amendment #1 (2013) (../../../.download/?id=c4a511dc-7523-43b4-bf63-8b032461a289)
- Cowan Amendment #2 (2013) (../../.../download/?id=2f888c1f-b47a-436b-95a6-4238c8a279e3)
- Donnelly Amendment #1 (2013) (.../../download/?id=d3007faf-ac0c-4877-bc1d-9eed7c85355d)
- Grassley Amendment #3 (Amended) (2013) (../../../download/?id=b32dea62-f708-4829-a3a5-efd93d26864a)
- Harkin Amendment #1 (2013) (../../../download/?id=cba2d461-e187-4f29-9b01-14c5565c0f8a)
- Harkin Amendment #2 (2013) (../../../download/?id=d3a69818-b21d-40db-b25c-2921135197e0)
- Heitkamp Amendment #1 (Amended) (2013) (../../../download/?id=02065b65-f8eb-42ed-9a41-b9c93fc5acbb)
- Heitkamp Amendment #3 (2013) (../../../download/?id=f2affcfb-bb24-4c31-b8cb-7b9b8bbe652b)
- Heitkamp Amendment #4 (2013) (../../../download/?id=d9b2fe3a-bd0b-484a-8569-efbd13287887)
- Hoeven Amendment #7 (2013) (../../../download/?id=70169cce-c069-4a85-9e08-c499ad57d169)
- Hoeven Amendment #8 (2013) (../../.../download/?id=7be6db91-3df7-48a8-bec6-17513e8c5d05)
- Johanns Amendment #4 (2013) (../../../download/?id=64924fc5-0b4a-49df-9948-409aff0c2416)
- Leahy Amendment #2 (2013) (../../../download/?id=b342b371-fcf3-4cb9-ac18-4656dcee1384)
- Leahy Amendment #3 (2013) (../../../download/?id=ba7f52b1-9c9a-4c93-8bcc-d06faefff276)
- Stabenow Amendment #1 (2013) (../../../../download/?id=0dc4d8a9-bf33-4429-81cb-f28a1073a257)
- Stabenow Amendment #2 (2013) (../../../download/?id=0cea22e7-3f92-4461-aab8-72bb62d1cc03)
- Stabenow Amendment #3 (2013) (../../../download/?id=946a231b-8fc2-42a7-8760-26136a00121f)
- Stabenow Amendment #4 (2013) (../../../download/?id=e918ea05-4c55-4258-b67e-d5fa99d1a223)
- Thune Amendment #1 (2013) (../../../download/?id=37e242bb-2a72-45e4-a7ab-3a48c69a09c0)

Cowan Amendment #1 (2013) (../../../download/?id=de925d37-59ba-4df4-a287-48f59fc8dcd2) (withdrawn) Johanns Amendment #1 (2013) (../../../download/?id=041e61b9-aba8-41db-9fa3-35ce13daf09a) (withdrawn) Baucus Amendment #4 (2013) (../../../download/?id=df4a6842-3814-4c9e-bbd9-f3a89f786a6c) (withdrawn) Roberts Amendment #9 (2013) (.../../../download/?id=aee5ce04-4f15-46d5-9c56-35a68bacfcb3) (withdrawn) Bennet Amendment #2 (2013) (../../../download/?id=a88c34bf-0597-4d70-b9d6-d392ac7352da) (adopted by voice vote) Hoeven Amendment #6 (2013) (.../.../../download/?id=92e2bcf9-d604-498d-8a14-205b5019d4bb) (not adopted by voice vote) Hoeven Amendment #5 (2013) (../../../download/?id=23a6fb4f-da5c-43aa-865c-f96424f6a18d) (not adopted by voice vote) Hoeven Amendment #1 (2013) (.../../../download/?id=0c3181de-d927-4358-ae55-1ddb77770a26) (not adopted by voice vote) Heitkamp Amendment #2 (2013) (../../../download/?id=6e36e185-8f52-462a-b960-bd192f8d7e91) (adopted by voice vote) Leahy Amendment #1 (2013) (../../../download/?id=bdf1011f-b6e4-43ac-a84d-7e2f726992e4) (withdrawn) Hoeven Amendment #2 (2013) (.../../../download/?id=184ea22a-1027-4b1c-962b-d739cf91aecc) (not adopted by a vote of 10-10) Gillibrand Amendment #1 (2013) (.../../../download/?id=4b8d75f8-1fa4-4f4f-a80d-96d74a382486) (adopted by voice vote) Bennet Amendment #4 (2013) (../../../.download/?id=9b6e292d-2943-477e-902a-76870ed2aad2) (adopted by voice vote) Cowan Amendment #4 (2013) (../../../download/?id=db22291b-ce40-486f-b659-fb9c554d4dbc) (adopted by voice vote) Brown Amendment #1 (2013) (../../../download/?id=eb181041-1aa3-4079-88c9-787f4aa9f675) (adopted by voice vote) Brown Amendment #2 (2013) (../../.../download/?id=5b325eb2-392a-4056-8391-bd63d3c2e6d4) (withdrawn)

Gillibrand Amendment #2 (2013) (.../.../.../download/?id=22d6af20-614c-41e9-9e69-87508c232eda) (withdrawn)

Johanns Amendment #2 (2013) (.../.../.../download/?id=d0aedcd4-ee7b-47f4-b6fe-c2d61433d69f) (not adopted by voice vote)

Thune Amendment #4 (2013) (.../.../.../download/?id=b66d2723-5cd2-4124-8eef-21454ee4b30d) (not adopted by a vote of 8-12)

Roberts Amendment #5 (2013) (.../.../.../download/?id=6891a137-1dfe-43a9-b9f6-a9064b46a77e) (withdrawn)

Thune Amendment #9 (2013) (.../.../.../download/?id=372ff66c-0fc0-47df-b84b-9d008e7b56e8) (not adopted by voice vote)

Klobuchar Amendment #2 (2013) (.../.../.../download/?id=26d9e56d-461d-4b59-b2da-b5f0f7cfba95) (adopted by voice vote)

Thune Amendment #5 (2013) (.../.../.../download/?id=0a82d339-967f-42aa-803d-a71bd72997f4) (not adopted by voice vote)

Johanns Amendment #3 (2013) (.../.../.../download/?id=b90df23f-e615-41fc-a7f8-49e72cd3357d) (not adopted by voice vote)

Thune Amendment #6 (2013) (../../.download/?id=0d2e8797-dcd5-41e1-909c-45d05b312991) (withdrawn)

Related Hearings

The Committee Print was adopted by a roll call vote of 15-5.

Markup: Agriculture Reform, Food, and Jobs Act of 2013 (http://www.ag.senate.gov/hearings/markup-agriculture-reform-food-and-jobs-act-of-2013)

328A Russell Senate Office Building 05/14/13 10:00AM



U.S. Senator Debbie Stabenow, Chairwoman

# Agriculture Reform, Food and Jobs Act of 2013

In the United States, some 16 million jobs depend on the strength and continued success of American agriculture. Our farmers grow the safest and most abundant supply of food, fiber and energy in the world. Innovations in agriculture allow families to put healthy, nutritious food on their tables at a lower cost than in most other countries. The Agriculture Reform, Food and Jobs Act reforms, eliminates and streamlines numerous programs, saving taxpayers \$23 billion. It does this while strengthening the tools available to producers to help manage risks and conserve natural resources.

#### Title I: Commodities

Farmers face unique risks unlike those in other professions. Weather and market conditions outside a producer's control can have a devastating effect on producers, especially family farms. This bill ends direct payments, strengthens crop insurance, and encourages innovative risk management approaches that only provide assistance to producers when their farms are threatened by risks outside their control.

#### **Eliminates Direct Payments**

Direct Payments, Counter-Cyclical Payments (CCPs), the Average Crop Revenue Election (ACRE) Program, and the Supplemental Revenue Assistance Payments (SURE) Program are repealed at the end of the 2012 crop year, creating \$16 billion in savings for deficit reduction.

#### **Ends Farm Payments to Millionaires**

Any person or entity with an adjusted gross income (AGI) of more than \$750,000 will be ineligible for payments from Title I Farm Bill programs, which are now capped at \$50,000 per entity. This bill also ensures that payments go to those farmers with an active stake in the farming operation.

#### Responsible Risk Management

Farmers will have access to risk management tools that complement crop insurance and protect against both price and yield losses. The Agricultural Risk Coverage (ARC) program allows farmers to choose between coverage at the individual farm level or at the county-level. Payments to farmers will be available only when actual losses are experienced off of a market-based historic benchmark. The Adverse Market Payments (AMP) program provides payments to farmers only when prices drop below a reference price. These payments are made on historic base acres, decoupled from production, thereby minimizing the program's influence on farmers' decisions on what and where to plant. In order to be eligible for ARC and AMP, all farmers must agree to comply with conservation and wetlands requirements.

#### **Marketing Loans**

The Marketing Loan Program is continued to help provide farmers operating capital for their farms with a loan rate adjustment for upland cotton that is designed to bring the program into better compliance with World Trade Organization (WTO) requirements in response to Brazil's WTO lawsuit. To receive marketing loans, farmers must agree to comply with conservation and wetlands requirements to the same degree as they do for eligibility in AMP and ARC.

#### Sugar

The Sugar Program is continued without changes through 2017.

#### **Stronger Dairy Programs**

Recognizing that dairy is a unique commodity, two new programs replace existing dairy programs. The Dairy Production Market Protection Program (DPMPP) is a voluntary program that protects producer margins equal to the difference between the all-milk price and a national feed cost. For small and medium-sized farms, additional margin protection is offered on the first 4 million pounds of milk marketed (the annual production of approximately 200 cows). The Dairy Market Stabilization Program (DMSP) promotes growth while encouraging producers who participate in DPMPP to scale down production when the market is oversupplied. These programs replace the Dairy Product Price Support Program (DPPSP) and the Milk Income Loss Contract Program (MILC). The USDA is given more authority and resources for transparency measures to make sure reported dairy prices are accurate.

#### Livestock & Supplemental Disaster Program

The bill extends supplemental disaster assistance for producers whose livestock has been affected by high mortality rates caused by severe weather, disease, or other acts of nature. Additionally, it will provide assistance to livestock producers who have experienced grazing losses due to drought. It also continues assistance for natural disasters that destroy grazing land, honey bees, farm fish, orchard trees, and nursery trees.

#### Title II: Conservation

Our rapidly growing population demands that America's farmers double their production over the next few decades *and* use fewer acres to do so. Conservation programs ensure we have a safe and abundant food supply, clean water, and thriving wildlife populations. The Agriculture Reform, Food and Jobs Act of 2013 consolidates 23 existing conservation programs into four fundamental program functions, achieving \$5 billion in deficit reduction.

#### Working Lands

#### **Environmental Quality Incentives Program (EQIP)**

EQIP will continue to provide cost-share for certain activities on working lands that help farmers avoid and comply with regulation. Many parts of the Wildlife Habitat Incentive Program (WHIP) have been consolidated into EQIP, focusing the program on farmers and ranchers looking to create or improve areas for wildlife habitat on their working lands.

#### Conservation Stewardship Program (CSP)

This program continues to encourage higher levels of conservation and the adoption of new and emerging conservation technologies on farms, ranches, and forests. Some changes are made to ease use and implementation of the program. Additionally, the cap on the number of nonindustrial private

# Senate Approves 2014 Farm Bill, Legislation Heads to the President ()

Congress Achieves Rare Bipartisan Agreement on Major Jobs Bill; Legislation Makes Landmark Reforms in Agriculture Policy, Saves \$23 Billion

#### Tuesday, February 4, 2014

The U.S. Senate today voted overwhelmingly to approve the bipartisan Farm Bill coauthored by Sen. Debbie Stabenow (D-MI), Chairwoman of the Senate Committee on Agriculture, Nutrition and Forestry, by a vote of 68-32. The bill represents rare bipartisan agreement on legislation that would boost a major sector of the U.S. economy and create jobs across the country. The 2014 Farm Bill, which reduces the deficit by \$23 billion and represents the most significant reform of American agriculture policy in decades, was approved by the House last week and will now head to the president for his signature.

"Many people said this would never happen in this environment, but Congress has come together to pass a major bipartisan jobs bill. Congress has also passed a major reform and deficit reduction bill. Both bills are the 2014 Farm Bill," **Chairwoman Stabenow** said. "This effort proves that by working across party lines, we can save taxpayer money and create smart policies that lay the foundation for a stronger economy.

"This is not your father's Farm Bill. It's a new direction for American agriculture policy. Major reforms will be implemented and direct payments will finally come to an end. The bill supports the transition Americans are already making to a healthier, more locally based food system. This is also one of the largest investments in land and water conservation we've made in many years.

"And we were able to protect food assistance for families in need of support, while finding savings solely by focusing on fraud and misuse.

"This bill truly touches every American – from the food we eat, to the air we breathe and the water we drink.

"It's been a long road with many challenges. I'm very proud that we maintained steadfast bipartisanship throughout this process. In the end, Congress came together to support 16 million American jobs, save taxpayers billions and implement the most significant reforms to agriculture programs in decades."

The Farm Bill, formally entitled the Agricultural Act of 2014, reforms food and agricultural policy by eliminating direct payments and other subsidy programs that pay farmers every year whether they need it or not. The bill instead provides responsible risk management tools for farmers that support farmers only when there is need, such as a weather disaster. This transformation provides the bulk of the Farm Bill's deficit reduction. The Farm Bill also streamlines and consolidates programs to end duplication and make programs more efficient. These reforms allow for the strengthening of key initiatives that help farmers and small businesses reach new markets and create American jobs. The bill makes historic investments in conservation, bioenergy production, research, local and healthy food initiatives, organics and maintains critical food assistance for families in need. A broad coalition of stakeholders has endorsed the bill (click here (http://www.ag.senate.gov/newsroom/press/release/letters-and-statements-of-support) to see a list), including farm organizations, conservation and environmental groups, sportsmen, forestry groups, seniors coalitions, church organizations, international food aid advocates, nutrition and hunger leaders, clean energy organizations, rural development leaders and veterans advocates, among others.

#### Overview of the Agricultural Act of 2014

Enacting the Agricultural Act of 2014 will reform agriculture programs, reduce the deficit, and help farmers, ranchers and business owners grow the economy. The legislation:

• Repeals the direct payment program and strengthens risk management tools

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- Repeals outdated programs and consolidates duplicative ones, eliminating nearly 100 programs or authorizations
- · Helps farmers and ranchers create jobs and provides certainty for the 16 million Americans working in agriculture
- · Strengthens conservation efforts to protect land, water and wildlife for future generations
- · Maintains food assistance for families while addressing fraud and misuse in SNAP
- · Reduces the deficit by \$23 billion

#### **Ends Direct Payments, Strengthens Risk Management**

The Agricultural Act of 2014 reforms farm programs and saves taxpayer dollars by ending direct payments and other farm programs. The bill provides risk management tools that help American farmers and ranchers survive weather disasters and market volatility. The bipartisan agreement cuts farm program spending by \$23.3 billion.

The bill also strengthens crop insurance, which is an essential cost-effective risk management tool. With crop insurance, farmers invest in their own risk management by purchasing insurance policies so they are protected in difficult times. Crop insurance also helps protect Americans from spikes in food prices. Without crop insurance farmers would have no way to recover from disaster unless the government steps in and provides unplanned disaster assistance. The effectiveness of crop insurance was underscored during the historic droughts of 2012, which impacted more than 80% of the country. Crop insurance protected farmers without the need for an emergency disaster relief bill.

Additionally, the bill provides a permanent livestock disaster assistance program for producers affected by natural disasters, and also covers producers who were affected by recent droughts, winter storms that hit the Northern Plains last year, and spring freezes that affected fruit growers in the Midwest.

#### Streamlines Programs, Strengthens Conservation

The Agricultural Act of 2014 consolidates 23 existing conservation programs into 13 programs while strengthening tools to protect and conserve land, water and wildlife. By streamlining programs, the farm bill provides added flexibility and ensures conservation programs are working for producers in the most effective and efficient way – an approach supported by nearly 650 conservation organizations from all 50 states. These reforms increase resources for top priorities while reducing the deficit by \$6 billion.

#### Protects SNAP for Families, Reduces Fraud and Misuse

The bipartisan farm bill conference agreement maintains critical assistance for families while stopping fraud and misuse to achieve savings in the Supplemental Nutrition Assistance Program (SNAP). The farm bill agreement closes a loophole being used by some states to artificially inflate benefits for a small number of recipients. Additionally, the bipartisan agreement stops lottery winners from continuing to receive assistance, increases program efficiency, cracks down on trafficking, fraud and misuse, and invests in new pilot programs to help people secure employment through job training and other services. CBO estimates this section of the bill will save \$8 billion. Savings in this section are reached without removing anyone from the SNAP program, and will ensure that every person receives the benefits they are intended to get under the current rules of the program.

#### **Grows the Agricultural Economy**

The Agricultural Act of 2014 reduces the deficit while strengthening top priorities that help to grow the agricultural economy. The bill:

- Boosts export opportunities to help farmers find new global markets for their goods
- Continues investments to meet growing consumer demand for fresh fruits and vegetables, local foods and organics by helping family farmers sell locally, increasing support for farmers' markets, and connecting farmers to schools and other community-based organizations
- Supports beginning farmers and ranchers with training and access to capital
- Invests in state-run pilot projects to encourage and incentivize employment and training opportunities for families in need
- Creates initiatives to help veterans start agriculture businesses

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- Grows American bio-based manufacturing (manufacturing processes using raw agricultural products grown in America)
- Expands bio-energy production, supporting non-food based advanced biomass energy production such as cellulosic ethanol and woody biomass power
- Invests in research to promote productivity and new agricultural innovations
- Strengthens rural development initiatives to help rural communities upgrade infrastructure and create a better environment for small businesses
- · Increases assistance for food banks
- · Reduces regulatory barriers

The Farm Bill makes investments in key priorities that help protect famers from disaster and help create agriculture jobs – including strengthened risk management programs like crop insurance, bio-energy production, bolstering research, expanding fruit and vegetable programs. These investments total \$14.2 billion.

With all spending cuts and investments, the 2014 Farm Bill reduces the deficit by a net total of \$23 billion.

For more information, and a summary of the Agricultural Act of 2014, please visit the Senate Agriculture Committee's website at http://www.ag.senate.gov/issues/farm-bill (http://www.ag.senate.gov/issues/farm-bill).