

2018 FARM BILL BACKGROUNDER

Comparison of Changes to the Agricultural Act of 2014

Included in

H.R. 2 – “Agriculture and Nutrition Act of 2018”

Passed by the House June 21, 2018 by a vote of 213-211-4

S. 3042 – “Agriculture Improvement Act of 2018”

Passed by the Senate on June 28, 2018 by a vote of 86-11-3

THE CONFERENCE REPORT

To accompany H. R. 2

*Passed by the Senate on December 11, 2018 by a vote of 87-13
Passed by the House on December 12, 2018 by a vote of 369-47-16*

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Title I	House	Senate	Conference Report
Program Options	PLC, ARC-CO	PLC, ARC-CO, ARC-IC	PLC, ARC-CO; (ARC-IC Expires at end of 2018 Crop Year)
Election	One election for 2019 - 2023 crops.	Two elections: for 2019-2020 crops and for 2021-2023 crops.	Four elections: for 2019-2020 crops, for 2021, 2022, and 2023 crops
ARC-CO Payment Calculations	<p>Based on county in which the land is located.</p> <p>Based on RMA yields where possible.</p> <p>Revenues for dryland and irrigated land calculated separately.</p>	<p>Based on county in which the land is located.</p> <p>Benchmark yield is trend-adjusted, not to exceed RMA's trend-adjusted yield factor.</p> <p>Minimum county yield is raised to 75% from 70%.</p> <p>Directs use of a single source of data and actual yields when available and improves timeliness of reporting ARC-CO yield data.</p>	<p>Based on county in which the land is located.</p> <p>Benchmark yield is trend-adjusted, not to exceed RMA's trend-adjusted yield factor.</p> <p>Minimum county yield is raised to 80% from 70%.</p> <p>Prioritizes RMA data in the calculation of the guarantee and actual yields.</p> <p>Utilizes the "effective reference price" for calculating guarantee if National ave price is lower.</p> <p>Revenues for dryland and irrigated land calculated separately.</p>
County Size for ARC-CO	No Provision	Counties can be divided in two if they: (1) are larger than 1,400 square miles; (2) are in a state larger than 140,000 square miles; (3) contain more than 190,000 base acres.	Counties can be divided in two if they: (1) are larger than 1,400 square miles; and (2) contain more than 190,000 base acres. Limits this provision to 25 counties nationwide, with preference for counties with greater variation in climate, soil, and productivity.
PLC Reference Price	Payments based on "effective reference price" -- the higher of the established reference price or 85% of the 5-year Olympic moving average of crop prices, capped at 115% of the established reference price.	No Provision	Payments based on "effective reference price" -- the higher of the established reference price or 85% of the 5-year Olympic moving average of crop prices, capped at 115% of the established reference price.
PLC Yields	<p>PLC payment yield can be updated if the farm is in a county that experienced long-term exceptional drought during 2008-2012. Updated yield is 90% of average 2013-17 yield.</p> <p>Gives Secretary authority to establish yields for newly-designated oilseeds (seed cotton) at 90% of the average yield in the most recent 5 crop years.</p>	No Provision	<p>Option to update PLC payment yield on a crop by crop basis; Updated yield is "90% X "average 2013-17 yield" X "Ratio of ave. 2008-2012 Nat'l ave yield / ave. 2013-2017 Nat'l ave yield" Ratio not to be less than 90% or exceed 100%.</p> <p>Gives Secretary authority to establish yields for newly-designated oilseeds (seed cotton) at 90% of the average yield in the most recent 5 crop years.</p>

Title I - Cont	House	Senate	Conference Report
Base Acres	Reduces base acres if no covered commodity was planted (or prevented from planting) in each year during 2009-2017. Reduced acres moved to new "unassigned base acre" category, ineligible for payments.	No Provision	The Conference adopts the House provision with an amendment that maintains base acres if no covered commodity was planted (or prevented from planting) in each year during 2009-2017, but makes such acres ineligible for PLC or ARC payments from 2019-2023.
Loan Rates	Increases the loan rate for extra long staple cotton fr \$0.7977 to \$0.95 / lb.	Extends all marketing loan rates through 2023 at current	Increases the loan rates for some crops: wheat fr \$2.94 to \$3.38 / bu; corn fr 1.95 to 2.20 / bu; sorghum fr 1.95 to 2.20 / bu; barley fr 1.95 to 2.50 /bus; oats fr 1.39 to 2.00 / bus; rice fr 6.50 to 7.00 / cwt; soybeans fr 5.00 to 6.00 / bus dry peas fr 5.40 to 6.15 / cwt; lentils fr 11.28 to 13.00 / cwt; sm chickpeas fr 7.42 to 10.00 / cwt; lg chickpeas; fr 11.28 to 14.00 / cwt; cane sugar fr 0.1875 to 0.1975 / lb; beet sugar fr 9.2409 to 0.2538 / lb; EL cotton fr 0.7977 to 0.95 / lb
Payment Limit Changes	<p>No change to AGI limit; exempts MLGs and LDPs from AGI limit; exempts qualified pass through entities from AGI limit; and authorizes Secretary to waive on a case by case basis the AGI limit to protect environmentally sensitive land.</p> <p>Limits PLC and ARC payments at \$125,000 for all commodities, with a separate limit for peanuts</p> <p>MLGs and LDPs are exempted from the \$125,000 payment limit and from the AGI eligibility test.</p> <p>Adds new definition of "qualified pass through entity" to mean "a partnership, an S corporation, or a joint venture."</p> <p>Attributes payments to all qualified pass through entities on the same baasis as joint ventures and general partnerships.</p> <p>Adds first cousins, nieces, and nephews as family members eligible for payments.</p>	<p>AGI limit reduced to \$700,000 from \$900,000.</p> <p>Restricts farm operations to one non-farming manager eligible for \$125,000 in payments.</p> <p>Definition of active farm management requires at least 500 hours or 25 percent of total management hours for the operation annually.</p>	<p>No change to AGI limit; authorizes Secretary to waive on a case by case basis the AGI limit to protect environmentally sensitive land; clarifies that the AGI limitation applies to conservation benefits under Title II.</p> <p>Limits PLC and ARC payments at \$125,000 for all commodities, with a separate limit for peanuts</p> <p>MLGs and LDPs are exempted from the \$125,000 payment limit and from the AGI eligibility test.</p> <p>Adds first cousins, nieces, and nephews as family members eligible for payments.</p>

Title II	House	Senate	Conference Report
Funding	By eliminating CSP, frees up funding for other programs both in and out of Title II. Reduces overall Title II funding by \$795 million over 10 years.	Maintains Title II baseline but shifts funding from CSP (\$1 billion/10 years) and EQIP (\$1.5 billion/10 years) to pay for other Conservation Title programs.	Maintains Title II baseline funding, overall (a \$6 million decrease over 10 years)
CSP	Eliminates CSP and merges some practices into EQIP.	Reauthorizes CSP. Adds new payments for cover crop activities and for a 1-time payment to a producer for a comprehensive conservation plan.	CSP continues as standalone program with new incentive payments for cover crops, crop rotations and other practices that protect water quality; some funding to be used as compensation to producers with unplanted base acres. Expiring CSP contracts no longer eligible for automatic renewal but will have to compete with new applications. Funding reduced from \$1.8 billion per year to no more than \$1 billion per year; savings used to expand EQIP and fund the Agricultural Conservation Easement Program and Regional Conservation Partnership Program.
EQIP	EQIP would begin offering CSP-like, long-term incentive payments for improvements in farming practices, but the number of resource concerns to be addressed would be narrowed from what CSP currently targets. Infrastructure projects on concentrated animal feeding operations could qualify for stewardship contracts for the first time. Eliminates the 60 percent funding set-aside for livestock producers. Total EQIP funding, including for stewardship contracts, would be increased to \$2 billion	Extends EQIP. Allocates at least 50% of funding to livestock.	Funding will be increased to \$2.025 billion by 2023, the final year of the bill, which also creates incentive contracts and alternative funding arrangements for irrigation districts. The carveout for livestock producers is lowered from 60 percent to 50 percent.
CRP	Increases the acreage limit from 24 million to 29 million acres. Caps payments at 80% of local rental rates. Reduces the federal cost share for establishing conservation practices on CRP acreage.	Increases acreage limit to 25 million acres. Reduces rental rates to 88.5% of average county rental rates. Provides greater flexibility to farmers to use land enrolled in CRP for haying and grazing. Creates new Conservation Reserve Easement program to permit acres about to leave CRP to enroll in a permanent easement.	Increases acreage limit to 27 million acres by FY 2023. limits; Practice cost-share payments to actual cost of practice installation, and 50 percent for the cost of seed. Soil rental rates for general and continuous enrollment are limited to 85 percent and 90 percent of the county average, respectively, with secretarial requirement to account for potential impact on local farmland rental market. Incentive payments for continuous practices and forest management are also authorized.
RCPP	Mandatory funding of \$25 million/year. Maintains CSP, EQIP and ACEP as "donor" programs, contributing 7% of each program's funds and acres to RCPP annually.	Increases mandatory funding to \$200 million/year; maintains CSP, EQIP and ACEP as "donor" programs. Allows partner contributions to be in the form of direct funding, in-kind support, or a combination.	Increases mandatory funding to \$300 million per year; 7% reservation of funds is eliminated

Title III	House	Senate	Conference Report
Export Promotion Programs	<p>Combines MAP, FMD, TASC and EMP into one program while maintaining specific programmatic language for each. Maintains annual funding for MAP at \$200 million and FMD at \$34.5 million. Overall funding for all 4 programs is \$255 million, so USDA will have an additional \$1.5 million to award to MAP/FMD each year.</p>	<p>Same as the House bill, except annual funding for all 4 programs is \$259.6 million, so USDA will have an additional \$6 million to award to MAP/FMD each year.</p>	<p>Combines MAP, FMD, TASC and EMP into one program while maintaining specific programmatic language for each. Maintains annual funding for MAP at \$200 million and FMD at \$34.5 million. It provides funding for the EMP at \$8million and TASC at \$9million. Overall funding for all 4 programs is \$255 million. The Bill establishes the Priority Trust Fund which provides \$3.5 million per year to be used at USDA's discretion with the priority going to those programs where the requests are greater than the funds available. The Bill also includes a provision to allow FMD funds in Cuba.</p>
Food For Progress	<p>No Provision</p>	<p>Allows up to 30% cash flexibility, providing flexibility to not monetize all of FFP.</p>	<p>The Conference agreement adopts the House provision with an amendment requiring the Secretary to include information on the "rate of return" for a commodity in the annual report, and includes a section authorizing pilot agreements for FY 2019 through FY 2023 . The Secretary has pilot program authority to test and evaluate the effectiveness of directly providing funds to eligible entities to implement the same types of development activities that are typically funded by proceeds from monetization under this program.</p>

Title IV	House	Senate	Conference Report
SNAP	Requires all work-capable adults under age 60, including parents of children older than 6, to work or be in an approved training program at least 20 hours a week. Eliminates “broad-based categorical eligibility,” which allows states to enroll people with incomes as high as twice the federal poverty level in SNAP. Devotes savings to work training and child-support enforcement actions.	Increases funding for pilot programs that study the effectiveness of job-training for SNAP recipients, but doesn’t change work rules nationwide.	Maintains Senate provisions.
Title VII	House	Senate	Conference Report
FFAR	No new funding for the Foundation for Food and Agriculture Research.	Provides \$200 million for FFAR, with new requirements for stakeholder notice and a strategic plan to be submitted to Congress.	Provides \$185 million for FFAR. Includes new requirements for strategic planning and stakeholder input.
Indirect Costs	Increases indirect cost limitation for agricultural research, education, and extension programs to 30% (from 22%); stipulates the limitation applies to initial grants and subgrants so the total of all indirect costs does not exceed limitation.	No Provision	Increases indirect cost limitation for agricultural research, education, and extension programs to 30% (from 22%); stipulates the limitation applies to initial grants and subgrants so the total of all indirect costs does not exceed limitation.
Supplemental & Alternative Crops	Amends section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) to reauthorize appropriations for supplemental & alternative crops through fiscal year 2023, to include canola as a supplemental or alternative crop, and to emphasize the importance of supplemental or alternative crops for agronomical rotational purposes and for use as habitat for honey bees and other pollinators.	Amends section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) to reauthorize appropriations for supplemental & alternative crops through fiscal year 2023, to include canola as a supplemental or alternative crop, and to emphasize the importance of supplemental or alternative crops for agronomical rotational purposes and for use as habitat for honey bees and other pollinators; and includes hemp as a natural plant material eligible for research.	Amends section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) to reauthorize appropriations for supplemental & alternative crops through fiscal year 2023, to include canola as a supplemental or alternative crop, and to emphasize the importance of supplemental or alternative crops for agronomical rotational purposes and for use as habitat for honey bees and other pollinators; and includes hemp as a natural plant material eligible for research. Authorization is doubled to \$2,000,000 annually.
Wheat & Barley Scab Initiative	Reauthorizes Initiative	Reauthorizes and increases discretionary funding level to \$15 million (from \$10 million)	Reauthorizes and increases discretionary funding level to \$15 million (from \$10 million); includes a 10% limit on indirect costs.

Title IX	House	Senate	Conference Report
Energy Title	Eliminates existing baseline funding for Rural Energy for America Program (REAP). Provides no mandatory funding for any Energy Title Programs. Reauthorizes programs under Title 6, Rural Economic Development.	Maintains existing baseline funding for REAP. Provides mandatory funding for the Biobased Market Program and the Bioenergy Program for Advanced Biofuels.	Maintains baseline funding for REAP at \$50 million per year Provides \$3 million in mandatory funding for Biobased Market Program, an increase of \$1 million per year over existing levels. Provides \$7 million in mandatory funding for Bioenergy Program for Advanced Biofuels, a decrease from \$15 million per year in 2014 Farm Bill
Title XI	House	Senate	Conference Report
Conservation compliance	Maintains conservation compliance added by the 2014 farm bill.	Maintains conservation compliance.	Maintains conservation compliance
ARC restriction	Farmers who elect ARC county coverage would be barred from also carrying area loss or yield policies or the Supplemental Coverage Option	No Provision	No Provision
Risk Management Education Program	Eliminates the Risk Management Education Partnership program, which educates farmers considered underserved by crop insurance on ways to mitigate risk in their operations.	Maintains the program.	Consolidates crop insurance education grants for underserved producers with the Partnership for Risk Management Education and provides \$10 million in funding for FY19 only.
Cover crops	No Provision	Clarifies conditions for voluntary conservation practices, including cover crops, to be considered good farming practices.	Includes cover crops as a good farming practice if terminated by the date set out by the Secretary.
Performance-based discounts	No Provision	Allows FCIC to offer discounts for practices that can be demonstrated to reduce risk.	No Provision
Policy Development Costs	Includes language to provide more specificity on the types of costs that are considered reasonable for research, development, and maintenance on policies that have been approved by the FCIC Board under 508(h) of ARPA, and clarity on entities that may charge a fee for maintaining policies; and the circumstances under which a fee shall be disapproved.	No Provision	The Conference substitute adopts the House provision with amendments to clarify reasonable costs apply to any employees or contracted personnel costs. The amendment also modifies the requirements for the Board to approve or disapprove the amount of a maintenance fee, by including that the fee shall remain in effect and not be reviewed by the Board unless specified criteria are met.
Title XII	House	Senate	Conference Report
USDA Reorganization	Authorizes the consolidation of the NRCS under a new Farm Production and Conservation mission area. The FSA and RMA are also under FPAC.	Authorizes the consolidation of the NRCS under a new Farm Production and Conservation mission area. The FSA and RMA are also under FPAC.	Authorizes the consolidation of the NRCS under a new Farm Production and Conservation mission area. The FSA and RMA are also under FPAC.
Data on conservation practices	No Provision	Creates a secure data collection system for USDA to analyze and review data on conservation practices on crop yields, soil health and farm profitability.	Requires Secretary to identify available USDA data on the effects of conservation practices on farm and ranch profitability. Mandates a report summarizing the data and how to provide secure access to such data by university researchers.