

# 2018 FARM BILL CONFERENCE REPORT HIGHLIGHTS

## TITLE I – COMMODITIES

- **Reference Prices.** Reference prices for Price Loss Coverage and Agriculture Risk Coverage are established at the greater of current reference prices or 85 percent of the average of the marketing year average price for the most recent five years, excluding the high and low, but capped at not more than 115 percent of the current reference price.
- **Base Acres.** For a farm where all crop land was planted or prevented from being planted to grass or pasture (including cropland that is idled or fallowed) from 2009 through 2017, base acres on the farm will be maintained but no PLC or ARC payments will be made. These farms can participate in a 5-year grassland incentive contract under Conservation Stewardship Program (CSP) at a rate of \$18 per acre.
- **Payment Yields.** An owner of a farm has a one-time opportunity to update payment yields for PLC on a covered commodity by covered commodity basis. The payment yield shall equal 90 percent x the average of the yield per planted acres for the covered commodity for 2013 through 2017, excluding years where the acreage planted to the commodity was zero x the ratio obtained by dividing the average of the 2008 through 2012 national average yield per planted acre by the average of the 2013 through 2017 national average yield per planted acre, except that the ratio obtained may not be less than 90 percent nor more than 100 percent. A yield plug is provided that is equal to 75 percent of the average of the 2013 through 2017 county yield. The update is to be made in time for the 2020 crop year.
- **PLC & ARC Elections.** Producers on a farm may make a new election between PLC and ARC for the 2019 through 2023 crop years. However, the producers may change their elections for the 2021 crop year and for each subsequent crop year, including 2022 and 2023.
- **PLC Change.** The reference price for Temperate Japonica Rice is adjusted.
- **ARC Changes.** ARC payments are based on physical location of the farm. A yield plug of 80 percent is to be used under ARC. Trend-adjusted yields are to be used under ARC to increase yield history but not in excess of increased yields under trend-adjusted yields under crop insurance. Requires use of Risk Management Agency to establish yields in counties where RMA data is sufficient or, in cases where insufficient, other sources determined by the Secretary or the yield history of representative farms in the state, region, or crop reporting district, as determined by the Secretary. Provides that not more than 25 large counties may be split into 2 administrative units for ARC purposes. Irrigated and non-irrigated yields are to be calculated for each county.
- **Loan Rates.** Loan rates by bushel, pound, hundredweight, and ton, as applicable, are as follows: wheat, \$3.38; corn and grain sorghum, \$2.20; barley, \$2.50; oats, \$2.00; upland cotton by formula but not more than 52 cents nor less

than 45 cents and never less than 98 percent of previous year; extra-long staple cotton, \$0.95; long and medium grain rice, \$7.00; soybeans, \$6.20; other oilseeds, \$10.09; dry peas, \$6.15; lentils, \$13.00; small chickpeas, \$10.00; large chickpeas, \$14.00; graded wool, \$1.15; nongraded wool, \$0.40; mohair, \$4.20; honey, \$0.69; peanuts, \$355.00; raw sugar cane, \$0.1975; refined beet sugar, 128.5 percent of raw cane. Economic adjustment assistance for textile mills established at 3 cents.

- **Sugar policy.** Sugar policy extended, with adjustment in loan rate.
- **Dairy Margin Coverage.** Dairy margin protection program is renamed dairy margin coverage. Coverage levels are offered at reduced premiums in 50 cent increments and range from \$4.00 to \$9.50 for Tier I milk and \$4.00 to \$8.00 for Tier II milk. Premium discount of 25 percent is available by tier when a producer elects dairy margin coverage for 5 years. Provides for the repayment of premiums for producers that participated in the margin protection program during the 2014 through 2017 period, with repayment equal to 75 percent of the difference between premiums paid and indemnities received when the producer devotes the repayment to dairy margin coverage and 50 percent in the case of a cash repayment. Producers may cover between 5 and 95 percent of their production history. Producers may elect Dairy Margin Coverage and LGM crop insurance coverage on the same production and producers locked out of Dairy Margin Coverage for 2018 due to participation in LGM to retroactively participate.
- **Milk Donation Program.** The Dairy Product Donation Program is repealed in favor of a new fluid milk donation program, with \$29 million in mandatory funding over the life of the farm bill.
- **Livestock Disaster Program.** Authorizes the Secretary disregard management practices, vaccination protocol, or lack of vaccination in order to extend the Livestock Indemnity Program to the death of unweaned livestock due to adverse weather and also extends LIP to losses resulting from disease caused or transmitted by a vector that is not susceptible to control by vaccination or acceptable management practice. Extends the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) to inspection of cattle tick fever and removes the arbitrary payment limitation on ELAP assistance.
- **Implementation.** Generally exempts companies, agents, and loss adjustors from liability under ACRSI for programs outside of crop insurance. Exempts loan programs under the Commodity Title from the sequester. Applies sequester to PLC and ARC payments prior to pay limits.
- **Pay Limits, AGI means testing, and Actively Engaged Rules.** Expands definition of “family” to nephews, nieces, and first cousins. Exempts marketing loan gains and loan deficiency payments from pay limits. Allows the Secretary to waive AGI means testing in case of marketing loan gains and loan deficiency payments where the Secretary determines environmentally sensitive land of

special significance would be protected. There are no other changes in this area of the law.

## **TITLE II – CONSERVATION**

- Provides for an increase in the Conservation Reserve Program cap to 27 million acres by 2023, including 8.6 million for continuous sign up and 2 million acres for grasslands. Contract lengths are 10 to 15 years, with eligibility for re-enrollment with some exceptions. A proportional, historic state acreage allocation is included for a portion of acres eligible for enrollment. Expands CRP haying, grazing, and other management tools. Limits CRP practice cost-share payments to actual cost of practice installation and 50 percent for the cost of seed. CRP soil rental rates for general and continuous sign up are limited to 85 percent and 90 percent of the county average, with the secretary required to account for impact on rental markets.
- Reauthorizes Conservation Stewardship Program through 2023, but eliminates the acre-based funding cap and \$18 per acre national average payment rate and caps spending at \$1 billion per year. Encourages resource-conserving crop rotation.
- Increases funding for the Environmental Quality Incentives Program to \$2.025 billion by 2023. Encourages resource conserving crop rotations.
- Establishes Grassland Conservation Initiative with an \$18 per acre payment rate.
- Funds the Agricultural Conservation Easement Program at \$450 million per year while providing greater program flexibility.
- Funds the Regional Conservation Partnership Program at \$300 million per year and provides greater program flexibility.
- Establishes the Feral Swine Eradication and Control Pilot project with \$75 million for threat assessment, control methods, and land restoration.
- Eliminates SAM/DUNS number requirement.
- Funds Voluntary Public Access Program at \$50 million.

## **TITLE III – TRADE**

- Market Access Program, Foreign Market Development Program, and Emerging Markets Program are consolidated under the Agricultural Trade Promotion and Facilitation Program, with \$255 million in annual mandatory funding, including MAP at not less than \$200 million, FMD at not less than \$34.5 million, EMP at not

less than \$8 million, Technical Assistance for Specialty Crops at not less than \$9 million, and the priority trade fund at \$3.5 million, annually.

- Generally maintains in-kind U.S. agricultural commodity donations under Food for Peace, Food for Progress, and McGovern-Dole. However, the farm bill adopts the Senate position of allowing 10 percent of McGovern-Dole funds to be used to purchase commodities from the recipient country or developing countries in the region. A similar pilot program is authorized under Food for Progress.

## **TITLE IV – NUTRITION**

- Requires state agencies to coordinate with Governors on any work requirement waiver for able bodied adults without dependents (ABAWDs) to restore political accountability to the waiver process.
- Reduces monthly state allowances for ABAWD exemptions from 15 percent to 12 percent.
- Requires states to adopt case management to transition SNAP recipients to work.
- Repeals \$48 million in annual state bonuses awarded to states for simply meeting basic SNAP administration standards.
- Requires the tracking and analyzing of SNAP participation, including income and length of stay on the program.
- Strengthens the prohibition of dual participation of households across state lines.
- Requires full enforcement of Buy American requirement under federal school lunch and breakfast programs.
- Establishes incentives to increase the purchase and consumption of milk by SNAP recipients

## **TITLE V – CREDIT**

- Farm direct ownership loan limits are increased from \$300,000 to \$600,000 for FY2019-23 and guaranteed ownership loan limits are increased from \$700,000 to \$1,750,000. Farm direct operating loan limits are increased from \$300,000 to \$400,000 and guaranteed operating loan limits from \$700,000 to \$1,750,000.

## **TITLE VI – RURAL DEVELOPMENT**

- Provides the Secretary of Agriculture with the tools requested to combat opioid epidemic.
- Provides loans, grants, and loan guarantees to provide access to quality Broadband service in rural areas for which increased funds have been provided.
- Maintains and provides mandatory funding for the Rural Development Loan and Grant program.
- Maintains and improves the Guaranteed Underwriter Program.
- Extends cushion of credit for two years before phasing down the interest rate. Authorizes prepayment of loans without penalty.
- Maintains suite of rural development initiatives, including the Community Facilities and Rural Water and Wastewater programs.

## **TITLE VII – RESEARCH, EXTENSION, AND RELATED MATTERS**

- Maintains strong support for the nation’s land grant university system, providing new funding opportunities and streamlining onerous federal reporting requirements.
- Provides \$185 million in mandatory funds for the Foundation for Food and Agriculture Research.
- Provides a total of \$145 million in mandatory funds for the Organic Agriculture Research and Extension Initiative.
- Provides \$10 million in mandatory funds for the Urban, Indoor, and Other Emerging Agriculture Production Research, Education, and Extension Initiative.
- Establishes a Citrus Trust Fund to support the Emergency Citrus Disease Research and Extension Program for 5 years. \$25 million in mandatory funding per annum is provided for this purpose.
- Provides a total of \$15 million in mandatory funds for Biomass Research and Development.
- Provides \$40 million in mandatory funds for 1890 institutions scholarships.
- Provides full funding of \$80 million for the Specialty Crop Research Initiative.

## **TITLE VIII – FORESTRY**

- Provides and expands Insect and Disease designation Categorical Exclusion to allow the reduction of hazardous fuel loads in order to reduce incidence and intensity of wildfires.
- Empowers state and local partners to remove timber.
- Includes provisions of the Timber Innovation Act and Community Wood Energy Innovation Act to promote research and development.
- Reauthorizes authorities directing U.S. Forest Service and state counterparts to tackle forest health, wildfire, and drinking water protection.

## **TITLE IX – ENERGY**

- Provides \$3 million in mandatory funding and discretionary funding for each of the 2019-2023 fiscal years for the biobased markets program.
- Provides \$50 million in mandatory funding for the 2019 fiscal year, \$25 million for the 2020 fiscal year, and authorizes discretionary funding of \$75 million for each of the 2021 through 2023 fiscal years for the biorefinery assistance program.
- Repeals the repowering assistance program and the rural energy self-sufficiency program.
- Provides \$7 million in mandatory funding and \$20 million in discretionary funding for each of fiscal years 2019 through 2023 for the bioenergy program for advanced biofuels. Payments for advanced biofuels produced from a single eligible commodity may not exceed one-third of the total program funding in a fiscal year.
- Provides \$2 million in discretionary funding for each of fiscal years 2019 through 2023 for the biodiesel fuel education program.
- Provides \$50 million in mandatory and in discretionary funding for each of the 2019 through 2023 fiscal years for the rural energy for America program.
- Provides \$25 million in discretionary funding for each of the 2019 through 2023 fiscal years for the biomass crop assistance program.
- Provides \$25 million in discretionary funding for each of the 2019 through 2023 fiscal years for the community wood energy program.

- Provides \$2 million in mandatory and in discretionary funding for each of the 2019 through 2023 fiscal years for the carbon utilization and biogas education program.
- Feedstock Flexibility Program is retained.

## **TITLE X – HORTICULTURE**

- Provides \$500 million for Local Agriculture Market Program (LAMP), including Value-added Producer Grant program, the Farmers Market Promotion Program, and the Local Food Promotion Program.
- Provides a total of \$24 million for the National Organic Certification Cost Share Program for FY2019-23.
- Fully funds the Specialty Crop Block Grant Program, the Plant Pest & Disease Management Program, and the National Clean Plant Network.
- Legalizes production of hemp as an agricultural commodity.

## **TITLE XI – CROP INSURANCE**

- Requires Specialty Crop Coordinator to designate Specialty Crop Liaison in each regional field office of the RMA.
- Allows hemp to be insured after its removal from the field, waives viability and marketability requirements for hemp policy R&D, and includes hemp in the definition of agricultural commodity under the Federal Crop Insurance Act.
- Cover cropping is deemed a good farming practice if the cover crop is terminated in accordance with guidelines prescribed by the Secretary or exceptions to these guidelines.
- Establishes underserved producer category that includes members of an Indian tribe, beginning farmers and ranchers, veteran farmers and ranchers, and socially disadvantaged farmers and ranchers.
- Allows crops that can be grazed and mechanically harvested to be insured under policies for each use.
- Increases CAT policy fee from \$300 to \$600.
- Authorizes the Federal Crop Insurance Corporation to allow a producer to establish an enterprise unit by combining 1 or more enterprise units in 1 or more counties and all basic units and optional units in 1 or more counties.

- Codifies the authority of RMA to provide a 10 percent cap on APHs, along with the authority to provide other adjustments to APH.
- Provides that native sod that has been tilled for production of an insurable crop after the date of enactment of the 2018 farm bill is subject to a reduction of crop insurance benefits for not more than 4 years during the first 10 years after tillage and during each year where a crop is insured.
- Requires use of NASS data to detect disparities and anomalies that indicate fraud, waste, and abuse.
- Requires continuing education for agents and loss adjustors.
- Modifies reimbursement requirements for policy submissions under section 508(h) by, among other things, basing reimbursement on reasonable costs.
- Limits grandfathered rebating to current states and entities.
- Requires R&D on the following:
  - Whole Farm Revenue Policies to improve effectiveness, including factors for RMA to consider (e.g., RMA is to consider removing the cap on nursery and livestock, providing coverage after losses exceed the deductible up to the maximum amount of coverage, etc.).
  - Tropical storm or hurricane coverage for low frequency, catastrophic weather events
  - Quality loss coverage that does not impact APH
  - Citrus to improve existing and create new policies to better cover citrus
  - Hops yield and revenue policies
  - Subsurface irrigation practices to reflect increased yield, productivity
  - Grain sorghum, including rates
  - Limited irrigation practices, including expanded availability
  - Insurable irrigation practices for rice, including alternative wetting and drying and furrow irrigation
  - Greenhouse policy
  - Local foods



- High risk, highly productive batture land policy for lower Mississippi River Valley
- Reduction in certain administration and R&D funding

## **TITLE XII – MISCELLANEOUS**

- Provides for a National Animal Disease Preparedness and Response Program and a National Animal Vaccine and Veterinarian Countermeasures Bank, including \$120 million in mandatory funding for FY2019-22 and \$30 million in FY2023 and each succeeding fiscal year.
- Makes alpacas, llamas, live fish, and crawfish eligible under the Emergency Livestock Feed Assistance Program.
- Establishes and provides mandatory funds of \$25 million for FY2019 through FY2023 for the Citrus Trust Fund.
- Reestablishes the Undersecretary of Agriculture for Rural Development.
- Provides \$2 million for the Sheep Production and Markets Grant program.
- Provides \$435 million for combined beginning farmer and rancher development program and outreach and assistance for socially disadvantaged farmers program.
- Directs FDA to not require the added sugar declaration on the nutrition facts label of any single ingredient sugar, honey, agave, and maple syrup.