



No. 11

May 20, 2013

S. 954 – Agriculture Reform, Food and Jobs Act

Noteworthy

- **Floor Situation:** On Monday, May 20, 2013, the Senate is scheduled to begin consideration of the Agriculture Reform, Food and Jobs Act of 2013 (S. 954), also known as the Farm Bill.
- **Background:** S. 954 was adopted by the Senate Committee on Agriculture, Nutrition and Forestry by a vote of 15 to 5 on May 14, 2013. The bill is very similar to the Agriculture Reform, Food and Jobs Act of 2012 (S. 3240), as amended, which passed the Senate by a vote of 64 to 35 on June 21, 2012. An important difference is its inclusion of Adverse Market Protection payments based on reference prices for covered commodities.
- **Executive Summary:** The bill would amend and extend major programs administered by the U.S. Department of Agriculture (USDA) for five years, from 2014 through 2018. It includes 12 titles addressing farm income support, food and nutrition, land conservation, trade promotion, rural development, credit, agricultural research, forestry, bioenergy, horticulture, and crop insurance.

Overview

Major USDA programs currently operate under authorization provided by the 2008 farm bill, which contained 15 titles covering farm commodity support, horticulture, livestock, conservation, nutrition assistance, international food aid, trade, agricultural research, farm credit, rural development, bioenergy, and forestry. The 2008 farm bill expired on September 30, 2012, but its provisions were extended by the American Taxpayer Relief Act of 2012 (P.L. 112-240) until September 30, 2013, or in the case of farm commodity programs on a different calendar, through crop year 2013.

Without a new farm bill, more than 100 discretionary programs will be left without statutory authority to receive appropriations. Programs relying on mandatory spending, including those focused on commodities, nutrition assistance, conservation and trade, will also be at risk. A series of mothballed provisions from the 1930s and 1940s known as “permanent law” would be reinstated – a system “radically different from current policy – and inconsistent with today’s farming practices, marketing system, and international trade agreements – as well as potentially costly to the federal government,” according to the Congressional Research Service.

House Action

The House Agriculture Committee approved the Federal Agriculture Reform and Risk Management (FARRM) Act of 2013 (H.R. 1947), as amended, by a vote of 36 to 10 on May 16, 2013. The bill is very similar to the Federal Agriculture Reform and Risk Management (FARRM) Act of 2012 (H.R. 6083), as amended, which passed the House Agriculture Committee by a vote of 35 to 11 on July 11, 2012, but was never considered on the House floor.

Bill Provisions

TITLE I—COMMODITY PROGRAMS

This title eliminates Direct Payments, Counter-Cyclical Payments (CCPs), and the Average Crop Revenue Election (ACRE) Program at the end of the 2013 crop year. It does not renew the Supplemental Revenue Assistance Payments (SURE) Program, which expired in September 2011.

This title provides Adverse Market Protection (AMP) payments for the 2014 through 2018 crop years for covered commodities to producers on farms for which payment yields and base acres are established if the actual price for the covered commodity is less than the reference price for the covered commodity. It allows for adjustment of base acres for peanuts and payment yields for rice. It establishes reference prices for rice and peanuts based on a percentage of historical prices. Reference prices for all other covered commodities shall be the product obtained by multiplying 55 percent by the average national marketing year average price for the most recent five crop years, excluding each of the crop years with the highest and lowest prices.

This title authorizes Agriculture Risk Coverage (ARC) payments for the 2014 through 2018 crop years. It provides producers with the opportunity to make a one-time election that is binding on the producer (as opposed to the acres) to receive either individual or county coverage for all covered commodities and all acres under the control of the producer. It provides producers with payments when actual crop revenue is less than the ARC guarantee. It provides formulas for establishing actual crop revenue and the ARC guarantee, payment rates, and payment amounts.

This title requires producers to comply with applicable conservation, wetland protection, noxious weed control, other land use, and reporting requirements as a condition of receiving AMP and ARC payments.

This title continues current law authorizing non-recourse Marketing Assistance Loans for loan commodities (including wheat, corn, grain sorghum, barley, oats, cotton, rice, peanuts, and soybeans) to be made available to producers for each of the 2014 through 2018 crops. It continues the previous loan rates for a Marketing Assistance Loan for each of the 2014 through 2018 crop years. It also adjusts the loan rate for upland cotton from a fixed rate to a market oriented average to bring the program into compliance with World Trade Organization (WTO) requirements. This provision is in response to a WTO complaint filed by Brazil. It requires the Secretary of Agriculture to permit producers to repay a Marketing Assistance Loan at the lowest rate specified for that commodity. It requires producers to comply with applicable conservation, wetland protection, noxious weed control, other land use, and reporting requirements as a condition of receiving Marketing Assistance Loans. It limits the term of any Marketing Assistance Loan to nine months.

This title continues current law authorizing Loan Deficiency Payments to be made available to producers who agree to forego Marketing Assistance Loans for a commodity, effective for the 2014 through 2018 crop years. It establishes a formula for how Loan Deficiency Payments shall be computed.

This title continues current law authorizing payments in lieu of Loan Deficiency Payments to producers of wheat, barley, oats, or triticale who elect to use acreage planted with those commodities for the grazing of livestock, and who agree to forego any other harvesting of those commodities on that acreage, effective for the 2014 through 2018 crop years. It establishes a formula for how payments in lieu of Loan Deficiency Payments shall be computed.

This title provides monthly Economic Adjustment Assistance to domestic users of upland cotton in the form of payments for all documented use of that upland cotton during the previous monthly period regardless of the origin of the upland cotton. It establishes the value for the assistance at three cents per pound. It restricts use of the assistance to certain activities.

This title continues current law providing Special Competitive Provisions for extra-long staple cotton, effective from the date of enactment of the Act through July 31, 2018. It requires the Secretary of Agriculture to carry out a program to maintain and expand domestic use, to increase exports, and to ensure the global market competitiveness of extra-long staple cotton produced in the U.S. It requires the Secretary to make payments, according to a specified formula, available to eligible domestic users and exporters of extra-long staple cotton produced in the U.S. under certain circumstances.

This title continues current law making available Recourse Loans to producers of high moisture feed grains and seed cotton for each of the 2014 through 2018 crops of corn, grain sorghum, upland cotton, and extra-long staple cotton.

This title continues current law through 2018 governing the Sugar Program, including making loans available to sugarcane and sugar beet processors at current loan rates.

This title establishes a new safety net for dairy producers known as the Dairy Production Margin Protection Program (DPMPP) and the Dairy Market Stabilization (DMSP) Programs, effective through December 31, 2018. Participation in the new margin protection program is voluntary, but a participating producer subjects its operation to the Dairy Market Stabilization Program, which encourages producers to scale down production when the market is oversupplied. The DPMPP is an income support program that provides protection based on the margin between the national average all-milk farm price and a formula-derived estimate of feed costs that falls below \$4.00 per hundredweight. The program also provides producers with flexibility to purchase supplemental margin protection.

The DMSP Program applies to participating dairy operations to help balance the supply of milk with demand when participating producers are experiencing low or negative operating margins. When markets are oversupplied and margins fall below a certain level, a portion of a dairy operations' milk check is reduced to encourage the operation to scale back production.

The title provides for a study of the feasibility of establishing two classes of milk, a fluid class and a manufacturing class, to replace the four-class system currently in effect, to be reported to Congress.

This title repeals the Dairy Product Price Support and Dairy Export Incentive Programs, and the Milk Income Loss Contract Program (MILC) after extending it to June 30, 2014 at the current 45 percent level as a transition to the new programs.

This title extends the Dairy Forward Pricing, Dairy Indemnity, and Dairy Promotion and Research Programs through 2018, as well as the Federal Milk Marketing Order Review Commission.

The title requires an analysis of the effects of amending each federal milk marketing order, including considering replacing the use of end-product price formulas with other pricing alternatives, to be reported to Congress.

This title extends through 2018 Livestock Indemnity Payments (LIP), the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP), and the Tree Assistance Program (TAP) for losses due to natural disaster. It establishes the Livestock Forage Disaster Program (LFP) to provide one source for livestock forage disaster assistance for weather related losses by combining the LFP with the livestock forage assistance functions of the Noninsured Crop Disaster Assistance Program and ELAP.

This title limits the total amount of payments received, directly or indirectly, for any crop year under subtitle A of the Act to \$50,000 for producers of peanuts or other covered commodities. It limits the total amount of marketing loan gains and loan deficiency payments received, directly or indirectly, for any crop year under Subtitle B of the Act to \$75,000 for producers of peanuts or other covered commodities. It limits the availability of payments to active farmers. It prohibits

payments to persons or legal entities whose total average adjusted gross income exceeds \$750,000.

This title continues current law through 2018 regarding administration generally; suspension of permanent price support authority; geographically disadvantaged farmers and ranchers; personal liability for producers for deficiencies; prevention of deceased individuals receiving payments; appeals; technical corrections; assignments of payments; tracking of benefits; and signature authority.

The bill provides \$97 million to implement the programs in this title.

TITLE II—CONSERVATION

This title extends through 2018 the Conservation Reserve Program (CRP). It steps down the maximum amount of acreage eligible for enrollment from 30 million to 25 million from fiscal year 2014 to fiscal year 2018 resulting in a savings of \$2.7 billion in mandatory funding over 10 years. It provides for the enrollment of no more than 1.5 million acres of grasslands at any one time during fiscal year 2014 through fiscal year 2018. It extends through 2018 the Farmable Wetland Program, changing it from a pilot to a standing program.

This title authorizes through 2018 the Conservation Stewardship Program (CSP), primarily an extension of current law. It establishes an enrollment limitation of 10,348,000 acres each year through 2022 resulting in a savings of \$1.98 billion in mandatory funding over 10 years. The 10 percent enrollment cap on nonindustrial private forestland is removed. It maintains the program cost of implementation at an average of \$18 per acre.

This title extends through 2018 the Environmental Quality Incentives Program (EQIP). It continues allocating at least 60 percent of funds to livestock production practices, and establishes allocating at least five percent of funds to practices benefitting wildlife habitat, for each of fiscal year 2014 through fiscal year 2018. It combines the Wildlife Habitat Incentives Program into EQIP.

This title establishes the Agricultural Conservation Easement Program (ACEP). It combines the easement authorities of the Wetlands Reserve Program (WRP), Grasslands Reserve Program (GRP), and Farmland Protection Program (FPP) into one agricultural conservation easement program and establishes baseline for the program. It provides for Agricultural Land Easements and Wetland Reserve Easements.

This title establishes the Regional Conservation Partnership Program (RCPP). It combines the authorities of the Agricultural Water Enhancement Program (AWEP), Chesapeake Bay Watershed Program, Cooperative Conservation Partnership Initiative (CCPI), and Great Lakes Basin Program into one program. It authorizes the RCPP from 2014 through 2018; makes available \$110,000,000 in each of fiscal year 2014 through fiscal year 2018 in mandatory funding; directs the Secretary of Agriculture to reserve eight percent of the funds and acres made available for covered programs (EQIP, CSP, ACEP, and the Healthy Forests Reserve Program) for each of fiscal year 2014 through fiscal year 2018 in order to ensure additional resources are

available to carry out the RCPP; allocates funding as 40 percent to national competition, 25 percent to state level competition, and 35 percent to critical conservation areas.

This title provides reauthorization of the following programs:

- \$30,000,000 in appropriations for each of fiscal year 2014 through fiscal year 2018 for conservation of private grazing land;
- \$15,000,000 in appropriations for each of fiscal year 2014 through fiscal year 2018 for the Grassroots Source Water Protection Program;
- \$40,000,000 in mandatory funding for the period of fiscal year 2014 through fiscal year 2018 for the Voluntary Public Access and Habitat Incentive Program;
- \$150,000,000 in mandatory funding and \$25 million in authorization of appropriations for the Terminal Lakes Assistance Program.
- Agriculture Conservation Experienced Services through fiscal year 2018.
- Emergency Watershed Protection Program through fiscal year 2018 and authority to modify floodplain easements is provided.

This title authorizes Commodity Credit Corporation funding for programs under this title for each of fiscal year 2014 through fiscal year 2018:

- Conservation Reserve Program (CRP)
 - \$50,000,000 to facilitate the transfer of land subject to contracts from retired or retiring owners and operators to beginning farmers and socially disadvantaged farmers or ranchers;
 - \$10,000,000 for tree thinning activities;
- Agriculture Conservation Easement Program (ACEP)
 - fiscal year 2014 – \$450,000,000;
 - fiscal year 2015 – \$475,000,000;
 - fiscal year 2016 – \$500,000,000;
 - fiscal year 2017 – \$525,000,000;
 - fiscal year 2018 – \$250,000,000;
- Conservation Security Program
- Conservation Stewardship Program (CSP)
- Environmental Quality Incentives Program (EQIP)
 - fiscal year 2014 – \$1,500,000,000;
 - fiscal year 2015 – \$1,600,000,000; and
 - Each of fiscal year 2016 through fiscal year 2018 – \$1,650,000,000.

This title repeals the Comprehensive Conservation Enhancement, Emergency Forestry Conservation Reserve, Wetlands Reserve, Farmland Protection and Farm Viability, Grassland Reserve, Agricultural Water Enhancement, Wildlife Habitat Incentive, Great Lakes Basin, Chesapeake Bay Watershed, Cooperative Conservation Partnership Initiative, and Environmental Easement Programs.

This title includes a provision requiring producers to comply with highly erodible land and wetlands conservation compliance in order to be eligible for crop insurance premium assistance.

TITLE III—TRADE

This title reauthorizes through 2018:

- Food for Peace Act programs (but prohibits assistance for North Korea);
- Export Credit Guarantee Program, allowing for up to \$4.5 billion in credit guarantees;
- Market Access Program;
- Foreign Market Development Cooperator Program;
- Food for Progress Act program;
- Bill Emerson Humanitarian Trust;
- Promotion of agricultural exports to emerging markets program;
- McGovern-Dole International Food for Education and Child Nutrition Program;
- Technical Assistance for Specialty Crops Program, providing \$9 million in funding for each of fiscal year 2011 through fiscal year 2018;
- Global Crop Diversity Trust;
- Local and regional procurement projects, authorizing \$40 million in appropriations for each of fiscal year 2014 through fiscal year 2018.

This title establishes the Donald Payne Horn of Africa Food Resilience Program, a pilot program to integrate all U.S.-funded emergency and long-term development activities focused on improving food security in the Horn of Africa. It authorizes \$10 million for each of fiscal year 2014 through fiscal year 2018 in appropriations for this program.

This title establishes that the Secretary of Agriculture shall propose a reorganization of the international trade functions of USDA. The Secretary shall develop a proposal and report to Congress within 180 days after the date of enactment, and the Secretary shall implement the reorganization within one year.

TITLE IV—NUTRITION

This title reauthorizes through 2018 the Food Distribution Program on Indian Reservations and directs USDA to conduct a study regarding the feasibility of nutrition program administration by tribal entities.

This title amends the Supplemental Nutrition Assistance Program (SNAP), including:

- Prohibiting states from increasing monthly SNAP benefits by annually issuing extremely low Low-Income Home Energy Assistance Program (LIHEAP) benefits to qualify otherwise ineligible households for Standard Utility Allowances. The Standard Utility Allowance is used by many states to estimate average utility costs in order to make SNAP benefits determinations;
- Limiting college student eligibility to students participating in technical and vocational education programs (as defined by the Carl D. Perkins Career and Technical Education Act of 2006), or remedial course work, basic adult literacy, and English as a second language;
- Making households ineligible if one of the household members receives substantial lottery or gambling winnings;

- Requiring participating retailers to stock perishable items in at least three of four staple food categories, to institute unique retail terminal identification numbers to detect fraud, and to pay 100 percent of the cost of electronic benefit transfer point-of-sale equipment, supplies, and related services;
- Terminating the use of manual vouchers except in certain rare circumstances;
- Requiring households that make excessive requests for replacement of electronic benefit transfer cards to provide an explanation for the loss of the card to the applicable State agency, or be denied a replacement card;
- Authorizing demonstration projects for authorized retailers to accept SNAP benefits through mobile electronic devices and on-line transactions, requiring retailers to ensure the price of food is not higher when using mobile technologies, and requiring retailers to pay costs associated with implementing such technologies;
- Allowing redemption of SNAP benefits for food produced by community supported agriculture;
- Improving oversight of the SNAP Restaurant Meals Program;
- Allowing “physical activity” as an eligible use of SNAP Nutrition Education funding.

This title eliminates the Secretary’s ability to waive penalties for high administrative error rates.

This title limits the use of performance bonus payments by a state, designating them for the administration of SNAP, including investments in technology, improvements in administration and distributions, and actions to prevent fraud, waste, and abuse.

This title provides states with funding for employment and training programs of \$90 million for each of fiscal years 2014 through 2017, and \$80 million for fiscal year 2018 and each fiscal year thereafter.

This title reauthorizes appropriations for SNAP.

This title consolidates two grant programs designed to improve community access to food and reduce food insecurity. It requires a 50 percent non-federal match and annual reports to Congress on the effectiveness of such grants.

This title requires funding for the Emergency Food Assistance Program to be available for two years. It provides for \$265.7 million in funding for fiscal year 2013. It increases funding by \$22 million in fiscal year 2014, \$18 million in fiscal year 2015, \$10 million in fiscal year 2016, \$4 million in fiscal year 2017.

This title requires the Secretary to employ data mining and data warehousing technologies to combat fraud and abuse. The title provides \$5 million for fiscal year 2014, and authorizes appropriations of \$12 million for each of fiscal years 2014 through 2018 for these activities.

This title reauthorizes through 2018 the Commodity Distribution Program. It eliminates duplication by focusing the Commodity Supplemental Food Program to serve low-income senior citizens and phasing out eligibility for women, infants, and children.

This title includes clarifying language regarding the process by which USDA, recipient agencies, and manufacturers process commodities.

This title reauthorizes through 2018 the Defense Department's Fresh Program, which distributes fresh fruits and vegetables to schools and service institutions, and the Senior Farmers' Market Nutrition Program.

This title repeals the Nutrition Information and Awareness Pilot Program.

This title eliminates two categories of Hunger-Free Communities Grants and establishes incentive grants to encourage purchases of fruits and vegetables by SNAP participants in underserved communities. It limits the Federal cost-share of grants to 50 percent of the total cost of the activity. It authorizes \$5 million in appropriations for each of fiscal year 2014 through fiscal year 2018. It provides mandatory funding of \$15 million for fiscal year 2014, \$20 million for each of fiscal year 2015 through fiscal year 2017, and \$25 million for fiscal year 2018.

This title provides an authorization of funding for community development financial institutions to provide loans and grants to eligible food retailers to overcome the higher costs and initial barriers to entry in underserved areas. It authorizes \$125 million in appropriations to remain available until expended.

This title provides for the purchase of pulse crops, including dry beans, dry peas, lentils, and chickpeas, for use in school nutrition programs. It requires a report to Congress evaluating the integration of pulse crops into school nutrition programs. It authorizes \$10 million in appropriations, to remain available until expended.

This title adds national nutritional and dietary information and guidelines for pregnant women and children until two years of age to the Dietary Guidelines for Americans report published at least every five years.

This title provides five demonstration projects through school food authorities receiving funds under this Act and the Child Nutrition Act of 1966 to facilitate the purchase of unprocessed and minimally processed locally grown and locally raised agricultural products.

This title provides for a multiagency task force to provide coordination and direction for commodity programs.

This title provides for a Food and Agriculture Service Learning Program to increase knowledge of agriculture and improve the nutritional health of children. It authorizes appropriations of \$25 million, to be available until expended. It requires 20 percent of funds be made available to the National Institute of Food and Agriculture to offset costs associated with hosting, training, and overseeing individuals in approved national service positions under the program.

TITLE V—CREDIT

This title expands authority of the Secretary of Agriculture to make or guarantee farm ownership and operating loans to eligible farmers to include modern legal entities created for estate succession planning.

This title reauthorizes through 2018 the Conservation Loan and Loan Guarantee Program and the Down Payment Loan Program, the maximum loan value of which is increased to 45 percent of \$677,000.

This title continues current law for operating loans, emergency loans, and general farmer loan provisions including current authorization levels. It reauthorizes through 2018 the Beginning Farmer Individual Development Accounts Pilot Program, for which it authorizes appropriations of \$5 million for each of fiscal years 2013 through 2018. It reauthorizes through 2018 direct ownership and operating loan levels, and state agricultural mediation programs. It authorizes appropriations of \$4.226 billion for each of fiscal years 2013 through 2018, of which \$1.2 billion shall be for direct loans and \$3.026 billion shall be for guaranteed loans.

This title establishes within the operating loan program a pilot program making loans available to assist entities in providing food to the hungry, including “gleaners” who collect edible, surplus food that would be thrown away for distribution to agencies or nonprofits that feed the hungry. It limits each loan to a range of \$500 to \$5,000, and limits the amount of total funding for the program to \$500,000. It requires a report to Congress on the results of the pilot program and the feasibility of expanding the program.

This title prohibits loans from being used to drain, dredge, fill, level, or otherwise manipulate a wetland or to engage in any activity that results in impairing or reducing the flow, circulation, or reach of water, with certain exceptions.

TITLE VI—RURAL DEVELOPMENT

This title reauthorizes rural community programs, rural business and cooperative development programs, and general rural development provisions, including:

- Water and waste disposal loans, loan guarantees, and grants;
- Community facilities loans, loan guarantees, and grants;
- Health care services;
- Business loans, loan guarantees, grants and other programs;
- Rural Business Investment Program;
- General provisions for loans and grants;
- Guaranteed Rural Development Loans;
- Rural Development Insurance Fund;
- Delta Regional Authority; and
- Northern Great Plains Regional Authority.

This title establishes Rural Business Development Grants, combining the Rural Business Opportunity Grants and Rural Business Enterprise Grants authorities into one program. It authorizes \$65 million in appropriations for each of fiscal year 2014 through fiscal year 2018.

This title establishes a competitive process for the designation of new Rural Economic Area Partnership zones.

This title directs the Secretary of Agriculture to expedite the process of creating user-friendly and accessible application forms and procedures prioritizing programs and applications at the individual level with an emphasis on utilizing current technologies such as online applications.

This title reauthorizes through 2018 Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes and Expansion of 911 Access.

This title establishes a grant component to the current broadband loan program focused on providing access to broadband telecommunications services in rural areas. Grant funds are limited to 50 percent of the total development cost of each project. It authorizes pilot programs to address areas that are unserved or have service levels below the minimum acceptable level of broadband service.

This title reauthorizes through 2018 the Distance Learning and Telemedicine program.

This title modifies the definition of “rural area” to incorporate data from the 2010 census and raises the maximum population for being considered a rural area to 35,000 (up from 25,000) for purposes of the Housing Act of 1949.

This title authorizes a new program called the Rural Energy Savings Program which provides loans to qualified consumers to implement energy efficiency measures.

This title requires the Secretary to use \$150 million, to remain available until expended, Commodity Credit Corporation money to provide funds for rural development loan and grant applications pending on the date of enactment of the Act.

This title provides for a study of transportation issues regarding the movement of agricultural products, domestically produced renewable fuels, and domestically produced resources for the production of electricity for rural areas, and economic development in those areas. It requires a report to Congress on the results of the study.

This title amends the Value-Added Agricultural Market Development Grants program to prioritize projects that increase opportunities for veteran farmers or ranchers. It authorizes appropriations of \$40 million for each of fiscal years 2014 through 2018, and also provides mandatory funding of \$12.5 million for each of fiscal years 2014 through 2018.

TITLE VII—RESEARCH

This title streamlines USDA research, education, and extension programs through consolidating and eliminating more than 60 unused and unfunded authorities.

This title reauthorizes through 2018 National Agricultural Research, Extension, and Teaching Policy Act of 1977 programs, including:

- National Agricultural Research, Extension, Education, and Economics Advisory Board;
- Grants and Fellowships for Food and Agriculture Sciences Education (\$40 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Education Grants to Alaska Native Serving Institutions and Native Hawaiian Serving Institutions;
- Nutrition Education Program;
- Continuing Animal Health and Disease Research Programs (\$25 million in authorized appropriations for each of fiscal year 1991 through fiscal year 2018);
- Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant Colleges, including Tuskegee University;
- Grants to Upgrade Agricultural and Food Sciences Facilities and Equipment at Insular Area Land-Grant Institutions;
- Hispanic-Serving Institutions;
- Competitive Grants for International Agricultural Science and Education Programs (\$5 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- University Research;
- Extension Service;
- Supplemental and Alternative Crops (\$1 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Capacity Building Grants for NLGCA Institutions;
- Aquaculture Assistance Programs (\$5 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Rangeland Research Programs (\$2 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Special Authorization for Biosecurity Planning and Response (\$20 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Distance Education and Resident Instruction Grants Program for Insular Area Institutions of Higher Education (\$2 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018 for Distance Education Grants; \$2 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018 for Resident Instruction Grants).

This title authorizes the Veterinary Services Grant Program and \$10 million in authorized appropriations for fiscal year 2014 and each fiscal year thereafter, including an additional matching competitive grant program with qualified entities to develop, implement, and sustain veterinary services.

This title authorizes Agriculture and Food Policy Research Centers and \$10 million in authorized appropriations for fiscal year 2013 and each fiscal year thereafter.

This title reauthorizes through 2018 Food, Agriculture, Conservation, and Trade Act of 1990 programs, including:

- Best Utilization of Biological Applications (\$40 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Integrated Management Systems (\$20 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Sustainable Agriculture Technology Development and Transfer Program;
- National Training Program (\$20 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- National Genetics Resources Program (\$1 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- National Agricultural Weather Information System (\$1 million for each of fiscal year 2014 through fiscal year 2018);
- Agricultural Genome Initiative;
- High-priority research and extension initiatives, including:
 - Cervidae Initiative to support collaborative research focusing on the development of viable strategies for the prevention, diagnosis, and treatment of parasites and diseases of farmed deer and elk;
 - Corn, Soybean Meal, Cereal Grains, and Grain Byproducts Research and Extension (\$25 million in authorized appropriations for each of fiscal year 2014 through 2018);
 - Forestry Products Advanced Utilization Research (\$7 million in authorized appropriations for each of fiscal year 2014 through 2018);
 - Training Coordination for Food and Agriculture Protection (\$20 million in authorized appropriations for each fiscal year 2014 through 2018);
 - Farm Animal Agriculture Integrated Research Initiative (\$50 million in authorized appropriations for each of fiscal year 2014 through 2018).
- Organic Agriculture Research and Extension Initiative (\$16 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018);
- Farm Business Management Program (\$5 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Regional Centers of Excellence (\$10 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Assistive Technology Program for Farmers with Disabilities (\$5 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- National Rural Information Center Clearinghouse.

This title reauthorizes through 2018 Agriculture Research, Extension, and Education Reform Act of 1998 programs, including:

- Integrated Research, Education, and Extension Competitive Grants Program;
- Research Regarding Diseases of Wheat, Triticale, and Barley Caused by *Fusarium Graminearum* or by *Tilletia Indica* (\$10 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);

- Grants for Youth Organizations (\$3 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Specialty Crop Research Initiative (mandatory funding of \$25 million in fiscal year 2014, \$30 million in each of fiscal year 2015 and 2016, \$65 million in fiscal year 2017, and \$50 million in fiscal year 2018 and each fiscal year thereafter);
- Food Animal Residue Avoidance Database Program;
- Office of Pest Management Policy (\$3 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Authorizes Regional Integrated Pest Management Centers.

This title reauthorizes through 2018 other programs and laws, including:

- Critical Agricultural Materials Act (\$2 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Equity in Educational Land-Grant Status Act of 1994;
- Research Facilities Act;
- Competitive, Special, and Facilities Research Grant Act;
- Enhanced Use Lease Authority Pilot Program under Department of Agriculture Reorganization Act of 1994;
- Renewable Resources Extension Act of 1978;
- National Aquaculture Act of 1980;
- Beginning Farmer and Rancher Development Program (\$17 million in mandatory funding for each of fiscal year 2014 through 2018);
- Grazinglands Research Laboratory;
- Natural Products Research Program (\$7 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Sun Grant Program.

This title reauthorizes through 2018 Food, Conservation, and Energy Act of 2008 programs, including:

- Agricultural Biosecurity Communication Center (\$2 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Assistance to Build Local Capacity in Agricultural Biosecurity Planning, Preparation, and Response (\$15 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Research and Development of Agricultural Countermeasures (\$15 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Agricultural Biosecurity Grant Program (\$5 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018).

This title establishes the Foundation for Food and Agriculture Research with the primary purpose of supplementing and advancing USDA basic and applied research activities through fostering innovative public-private collaborations to leverage Federal investment in agricultural research with new sources of funding from private donations. It provides \$200 million in one-time mandatory funding which must be matched by donations from other sources.

This title provides for the dissemination of objective, scholarly, and authoritative agricultural and food law research, legal tools, and information through cooperative agreements with institutions of higher education. It authorizes appropriations of not more than \$5 million for each fiscal year to be made available to the National Agricultural Library to carry out this section.

TITLE VIII—FORESTRY

This title repeals the Forest Land Enhancement, Hispanic-Serving Institution Agricultural Land National Resources Leadership, and Tribal Watershed Forestry Assistance Programs.

This title reauthorizes through 2018 a Cooperative Forestry Assistance Act of 1978 program, the State-Wide Assessment and Strategies for Forest Resources (\$10 million in authorized appropriations for each fiscal year 2014 through 2018).

This title reauthorizes through 2018 other forestry-related laws:

- Rural revitalization technologies;
- Office of International Forestry (\$10 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Insect infestations and related diseases (\$100 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Provides permanent reauthorization of Stewardship End Result Contracting Authority;
- Healthy Forest Reserve Program (\$9.75 in authorized appropriations for each of fiscal year 2014 through fiscal year 2018).

TITLE IX—ENERGY

This title includes \$900 million in mandatory funding and reauthorizes through 2018 energy-related programs including:

- Biobased Markets Program (\$3 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018; \$2 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance, with the addition of renewable chemicals and biobased products as eligible for the program (mandatory funding of \$100 million in fiscal year 2014 and \$58 million in each of fiscal year 2015 and 2016, with no more than \$25 million directed towards biobased product manufacturing; \$150 million in authorized appropriations for each of fiscal year 2014 through 2018);
- Bioenergy program for Advanced Biofuels (\$20 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Biodiesel Fuel Education Program (\$1 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018; \$1 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Rural Energy for America Program (REAP) (\$68,200,000 in mandatory funding for each of fiscal year 2014 through fiscal year 2018; \$20 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);

- Biomass Research and Development Program (\$26 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018; \$30 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018);
- Continues the Feedstock Flexibility Program for Bioenergy Producers;
- Biomass Crop Assistance Program (BCAP) (\$38.6 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018, with not less than 10 percent and not more than 50 percent to be used for Collection, Harvest, Storage and Transportation payments);
- Community Wood Energy Program (\$5 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018).

This title repeals Forest Biomass for Energy and the Renewable Fertilizer Study.

TITLE X—HORTICULTURE

This title reauthorizes through 2018 specialty crop market news allocation.

This title repeals the grant program to improve movement of specialty crops.

This title reauthorizes through 2018 Farmers Market and Local Food Promotion Program (\$20 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018). It requires the recipient of a grant to provide a match in an amount equal to 25 percent of the total cost of the project.

This title directs the Secretary of Agriculture to conduct a study on local food production and program evaluation.

This title reauthorizes through 2018 organic production and market data initiatives (\$5 million in mandatory funding.) It provides the National Organic Program with a \$5 million in mandatory funding in fiscal year 2014 and authorizes \$15 million in funding for each of fiscal year 2014 through fiscal year 2018.

This title reauthorizes through 2018 food safety and education initiatives.

This title consolidates plant pest and disease management and disaster prevention programs (\$60 million for each of fiscal year 2014 through fiscal year 2017; \$65 million for fiscal year 2018 and each fiscal year thereafter).

This title reauthorizes through 2018 specialty crop block grants (\$70 million for fiscal year 2014 and each fiscal year thereafter). It changes the grant allocation formula from solely the value of specialty crop production in a state to the average of both value of specialty crop production and acres of specialty crops planted in a state.

This title requires producers, handlers, and certifying agents to maintain and make available to the Secretary of Agriculture all contracts, agreements, receipts, and other records associated with the organic certification program established under the Organic Foods Production Act of 1990. It

gives the Secretary of Agriculture authority to investigate and suspend or revoke organic certification if a producer or handler misrepresents their product as being organic. It allows for a civil penalty of not more than \$10,000 per offense for violating an order of organic certification revocation.

This title directs the Secretary to conduct a study on a federal standard of identification for honey.

This title removes a costly and duplicative inspection requirement for apples designated for export.

This title authorizes the Secretary to issue an organic commodity promotion order, adherent to all marketing order rules.

TITLE XI—CROP INSURANCE

This title allows producers to combine individual and county level yield or loss coverage. This title makes available a crop margin coverage option on a margin basis alone or in combination with individual yield and loss coverage or area yield and loss coverage.

This title establishes that premium amounts for catastrophic risk protection shall be reduced according to a specified formula.

This title provides for a higher replacement yield for crop insurance guarantees following disaster years.

This title allows the Federal Crop Insurance Corporation (FCIC) to pay a portion of the premiums for insurance policies held by insurable units defined on a whole farm or enterprise unit basis. It also allows producers to split these enterprise units based on irrigated and non-irrigated production.

This title makes available to producers of upland cotton, who are ineligible for any other program, including ARC and AMP, to satisfy the Brazil WTO case, a supplemental insurance policy (to be known as the “Stacked Income Protection Plan,” or “STAX”) that will provide maximum coverage for revenue loss of not more than 20 percent of expected county revenue, specified in increments of five percent, and a deductible no less than 10 percent of the expected county revenue. It establishes coverage based on specified conditions and formulas. It establishes an optional multiplier factor, available for an additional premium, to establish maximum protection (referred to as the “protection factor”) of not more than 120 percent. It establishes separate coverage for irrigated and non-irrigated practices.

This title requires the Risk Management Agency (RMA) and the FCIC to make available a revenue crop insurance program for peanuts that is based on the Rotterdam price index for peanuts.

Implementation funding for the Risk Management Agency for this title requires the Secretary of Agriculture to develop and implement the Acreage Crop Reporting Streamlining Initiative (ACRSI) to allow producers to report acreage and other information directly to USDA (\$25 million in fiscal year 2013 and \$10 million in each of fiscal year 2014 through fiscal year 2017; or if the ACRSI project is substantially completed by September 30, 2013, not more than \$15 million for each of fiscal year 2014 through fiscal year 2017).

This title requires the FCIC to develop a whole farm risk management insurance plan, with a liability limitation of \$1.5 million, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer. It establishes that producers of multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, shall be eligible to participate in the plan. It allows the FCIC to provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that grow multiple crops or that may have income from the production of livestock that uses a crop grown on the farm.

This title requires the FCIC to conduct studies to determine whether: offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers; insuring swine producers for a catastrophic event is feasible; insuring commercial poultry production against business disruptions caused by integrator bankruptcy or for catastrophic events is feasible; and insuring seafood harvesters is feasible.

This title requires the FCIC to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred by the production of catfish.

This title provides for research and development regarding biomass and sweet sorghum energy crop insurance policies. It provides coverage for bioenergy crops in the Noninsured Crop Assistance Program.

This title requires the FCIC to offer producers of organic crops price elections for all organic crops produced in compliance with the national organic program that reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops.

This title allows the FCIC to conduct a pilot program to provide financial assistance for producers of underserved crops and livestock (including specialty crops) to purchase an index-based weather insurance product from a private insurance company (\$10 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018). It allows the FCIC to pay a portion of the premium in certain circumstances.

The title adds farm financial benchmarking to the Federal Crop Insurance Act. Farm financial benchmarking is the process of comparing the performance of an agricultural enterprise against the performance of other similar enterprises, through the use of comparable and reliable data, in

order to identify business management strengths, weaknesses, and steps necessary to improve management performance and business profitability.

The title provides beginning farmers and ranchers with premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available. It allows beginning farmers and ranchers previously involved in a farming operation to use the previous producer's production history or assigned yield in determining yield coverage, and to replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.

The title requires the Secretary of Agriculture to provide organic certification cost-share assistance; activities to support risk management education and community outreach partnerships; and agricultural management assistance grants to producers in states where there has been a low level of federal crop insurance participation and availability (\$23 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018). It limits assistance to \$50,000 per person per year.

This title provides a sod producer during the first four years of planting on native sod acreage 65 percent of the applicable transitional yield and a crop insurance premium subsidy 50 percentage points less than the premium subsidy that would otherwise apply.

This title requires "plain language" be used when issuing regulations and guidance relating to plans and policies of crop insurance, and an improved website providing crop insurance options be built.

This title requires a GAO report to Congress describing the results of a study regarding fraudulent claims filed, and benefits provided, under crop insurance programs.

TITLE XII—MISCELLANEOUS

This title makes veteran farmers and ranchers eligible to benefit from the outreach and assistance program for socially disadvantaged producers and limited resource producers under the Food, Agriculture, Conservation, and Trade Act of 1990 (\$10 million in mandatory funding for each of fiscal year 2014 through fiscal year 2018; \$20 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018).

This title provides for the establishment of a Socially Disadvantaged Farmers and Ranchers Policy Research Center at an eligible 1890 Institution for the purpose of developing policy recommendations for the protection and promotion of the interests of socially disadvantaged farmers and ranchers.

This title reauthorizes through 2018 the Office of Advocacy and Outreach (\$2 million per year in authorized appropriations for each of fiscal year 2014 through fiscal year 2018).

This title reauthorizes through 2018 the Trichinae Certification Program; the National Aquatic Animal Health Plan; grants to improve supply, stability, safety, and training of the agricultural

labor force (\$10 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017); and regional and economic infrastructure development.

This title establishes the Wildlife Reservoir Zoonotic Disease Initiative to provide assistance through Coordinated Agricultural Project grants for research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for covered diseases affecting domestic livestock that are transmitted primarily from wildlife (\$7 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018). It requires the Secretary of Agriculture to give priority to grants that address Bovine Brucellosis, Bovine Tuberculosis, and other zoonotic diseases in livestock. It requires the recipient of a grant to provide funds in an amount that is not less than 25 percent of the amount provided by the federal government.

This title establishes the Sheep Production and Marketing Grant Program, a competitive grant program to strengthen and enhance the production and marketing of sheep and sheep products (\$1.5 million in mandatory funding for fiscal year 2014).

This title establishes a pilot project to eradicate or control the threat feral swine pose to the domestic swine population, the entire livestock industry, and the destruction of crops and natural plant communities and native habitats (\$2 million in authorized appropriations for each of fiscal year 2014 through fiscal year 2018). It limits the Federal share of the costs of the program to 75 percent of the total costs of carrying out the pilot program. It permits the non-Federal share of the costs of the pilot program to be provided in the form of in-kind contributions of materials or services.

This title provides for contracts, grants, cooperative agreements, or other legal instruments to create a National Animal Health Laboratory Network for purposes of responding in a timely manner to emerging or existing bioterrorist threats to animal health (\$15 million in authorized appropriations for each of fiscal year 2014 through 2018).

This requires continued administration of the avian influenza surveillance program in commercial poultry through the National Poultry Improvement Act.

This title establishes the Military Veterans Agricultural Liaison to assist returning veterans with accessing beginning farmer training and agricultural vocational and rehabilitation programs; using Federal veterans educational benefits for purposes relating to beginning a farming or ranching career; finding information concerning the availability and eligibility requirements for participation in agricultural programs; applying for participation in agricultural programs; and advocating on behalf of veterans in interactions with USDA employees.

The title directs the Secretary of Agriculture to establish an Office of Tribal Relations.

This title provides for grants to states and tribal governments to support their efforts to promote the domestic maple syrup industry (\$20 million in authorized appropriations for each of fiscal year 2014 and 2015).

This title amends the Animal Welfare Act to make unlawful attending or causing a minor to attend an animal fighting venture. It subjects a person who attends an animal fighting venture to

a fine, imprisonment for up to one year, or both, for each violation. It subjects a person who causes a minor to attend an animal fighting venture to a fine, imprisonment for up to three years, or both, for each violation.

This title establishes the Pima Cotton Trust Fund, the Agriculture Wool Apparel Manufacturers Trust Fund, and the Citrus Disease Research and Development Trust Fund. It authorizes appropriations of such sums as are necessary for each of fiscal year 2014 through 2019.

Administration Position

The Obama Administration has not taken an official position at this time.

Cost

The Congressional Budget Office (CBO) [estimates](#) that enacting S. 954 would cost \$955 billion over the 2014-2023 period. Relative to CBO's May 2013 baseline, enacting the bill will reduce direct spending by \$17.839 billion over the 2014-2023 period.

The Senate Committee on Agriculture, Nutrition and Forestry notes that the recently updated CBO baseline included a reduction of \$6.4 billion in projections for mandatory agricultural programs over the 2014 – 2023 period due to the impact of the Budget Control Act of 2011 and sequestration. Taken together, the \$6.4 billion reduction due to sequestration and the \$17.839 billion reduction included in S. 954 would represent a total reduction in farm bill baseline of \$24.239 billion relative to extension of the 2008 farm bill baseline level.

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