

# 2018 Farm Bill Toolbox

A briefing on the key issues and influencers, timeline and political environment surrounding the 2018 Farm Bill debate

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**Producer**

*Daniel Stublen*

**Director**

*Alistair Taylor*

# The 2014 Farm Bill included 12 titles authorizing a wide-range of agriculture and nutrition assistance programs

- |   |  |    |   |
|---|--|----|---|
| 1 | <b>Commodity programs</b> – Provides farm payments when prices or revenues decline for major commodity crops                         | 7  | <b>Research, extension and related matters</b> – Ag. research and extension programs going mostly to public and land grant universities |
| 2 | <b>Conservation</b> – Encourages environmental stewardship and improved management practices   | 8  | <b>Forestry</b> – Forestry management programs run by USDA's Forest Service   |
| 3 | <b>Trade</b> – Provides support for agricultural export programs and international food assistance                                   | 9  | <b>Energy</b> – Encourages development of farm and community renewable energy systems through grants and loan guarantees                |
| 4 | <b>Nutrition</b> – Provides nutrition assistance for low-income households (SNAP)  | 10 | <b>Horticulture</b> – Supports specialty crops through a range of initiatives including market promotion and public research            |
| 5 | <b>Credit</b> – Offers direct and guaranteed loans to farmers, ranchers and rural lenders  | 11 | <b>Crop insurance</b> – Enhances the permanently authorized federal crop insurance program  |
| 6 | <b>Rural development</b> – Supports rural business and community development programs in collaboration with local and state programs | 12 | <b>Miscellaneous</b> – Covers other types of programs including livestock and poultry production  |

Sources: Renée Johnson, Jim Monke, "What is the farm bill?" Federation of American Scientists, November 8, 2016.

# The 2014 Farm Bill passed over a year late due to disputes between Republican factions

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- April 2012 ○ Senate Agriculture Committee reports a Farm Bill
  - June 2012 ○ Entire Senate passes a Farm Bill
  - July 2012 ○ House Agriculture Committee reports a Farm Bill
  - Oct. 2012 ○ **The 2008 Farm Bill expired** (some programs including SNAP continued through appropriations)
  - Dec. 2012 ○ The 2008 Farm Bill extended for one year
  - May 14, 2013 ○ Senate Agriculture Committee reports a second Farm Bill
  - May 15, 2013 ○ House Agriculture Committee reports a second Farm Bill
  - June 10, 2013 ○ Entire Senate passes second Farm Bill
  - June 20, 2013 ○ **House's second Farm Bill fails on the House floor** (195-234, **62 Republicans voted against**)
  - July 2013 ○ House passes a "Farm Only" Bill
  - Sept. 2013 ○ House passes a "Nutrition Only" Bill
  - Oct. 2013 ○ **Conference Committee meets to reconcile House and Senate bills**
  - Jan. 2014 ○ House passes Conference Report
  - Feb. 4, 2014 ○ Senate passes Conference Report
  - Feb. 7, 2014 ○ **President Obama signs the 2014 Farm Bill into law** at Michigan State University

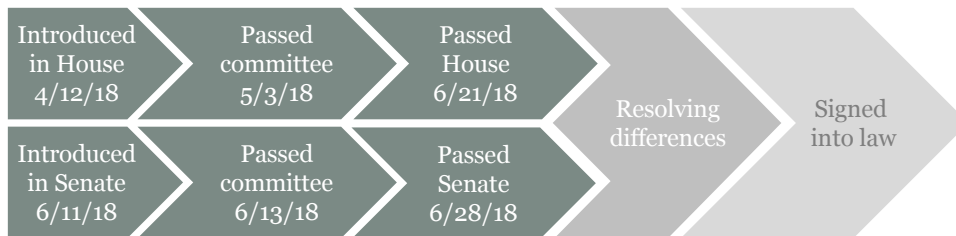
Sources: "2014 Farm Bill: A Timeline" FarmPolicy.com, Accessed December 15, 2017



# 2018 Farm Bill

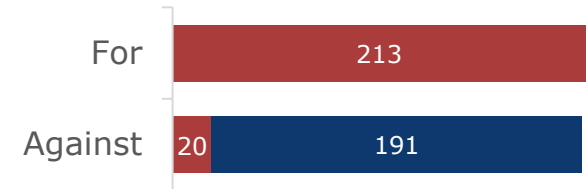
*H.R. 2: Agriculture and Nutrition Act of 2018*  
*S. 3042: Agriculture Improvement Act of 2018*

## Current status

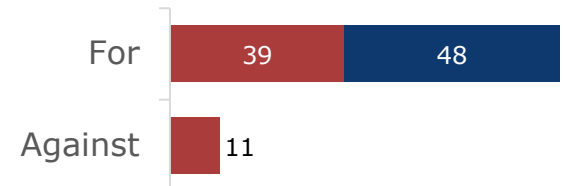


- *Deadline: September 30, 2018*
- *First House vote failed due to opposition from the Freedom Caucus*
- *The House and Senate have both voted to advance to conference committee*
- *House is in summer recess until early September*

## June 21, 2018 House vote



## June 28, 2018 Senate vote



## Previous actions in 2018

### January 30:

Sec. Perdue releases the Trump admin's "Farm Bill Legislative Principles," calling for state flexibility to set SNAP requirements and no increases to crop insurance subsidies

### March 19:

Democratic members of the House Agriculture Committee cease all negotiations over reported SNAP changes; Chairman Conaway refuses to release the full Farm Bill text

### April 12:

Rep. Conaway introduces the Farm Bill with tightened work provisions for SNAP, provoking unified opposition to the legislation from Democrats

### May 18:

The Farm Bill fails on the House floor after the Freedom Caucus withholds supports until Republican leadership brings immigration votes to the floor

### July 31:

The Senate agreed by voice vote to move to conference committee. The House already agreed to do so on July 18. The first meeting will not be until after summer recess

Sources: National Journal Research, 2018; Erica Werner and Mike DeBonis, "In blow to GOP, House fails to pass massive farm bill in face of conservative Republican showdown," The Washington Post, May 18, 2018

# Differences between the House and Senate's Farm Bills

Subject	House version	Senate version
Crop insurance	<ul style="list-style-type: none"> <li>Eliminates the individual farm coverage under ARC, must use county-wide data</li> </ul>	<ul style="list-style-type: none"> <li>Makes no major changes</li> </ul>
Commodity programs	<ul style="list-style-type: none"> <li>Maintains reference prices for almost all commodities in Price Loss Coverage</li> </ul>	<ul style="list-style-type: none"> <li>Reduces Adjusted Gross Income limit from \$900,000 to \$700,000</li> <li>Does not limit payouts</li> </ul>
SNAP	<ul style="list-style-type: none"> <li>Creates a 20 hour per week work requirement for ABWDs</li> <li>Increases the ABWD age from 50 to 60</li> </ul>	<ul style="list-style-type: none"> <li>Makes no major changes</li> </ul>
Conservation programs	<ul style="list-style-type: none"> <li>Suspends new enrollment in the Conservation Stewardship Program</li> <li>Increases EQIP spending</li> <li>Increases CRP acres from 24 million to 29 million</li> </ul>	<ul style="list-style-type: none"> <li>Reduces acres covered under CSP and funding for EQIP programs</li> <li>Increases CRP acres from 24 million to 25 million</li> </ul>
USDA structure	<ul style="list-style-type: none"> <li>Makes no major changes</li> </ul>	<ul style="list-style-type: none"> <li>Recreates the position of under secretary for rural development</li> </ul>
Bipartisan support	<ul style="list-style-type: none"> <li>No Democrats offered amendments to the bill in committee</li> <li>All Democrats voted against the bill in committee and on the House floor</li> </ul>	<ul style="list-style-type: none"> <li>Many Democratic amendments were offered and adopted in committee</li> <li>All Democrats on the Agriculture Committee voted for the bill</li> </ul>
Hemp legalization	<ul style="list-style-type: none"> <li>Does not address the issue</li> </ul>	<ul style="list-style-type: none"> <li>Adds Majority Leader Mitch McConnell's (R-KY) hemp legalization bill</li> </ul>

Sources: "Vote Clears House Farm Bill," DTN The Progressive Farmer, Chris Clayton, April 18, 2018, National Journal Research, 2018.

## Senate members of the Farm Bill conference (9 total)



**Pat Roberts (R-KS)**



**Debbie Stabenow (D-MI)**



Mitch McConnell (R-KY)



Patrick Leahy (D-VT)



Mike Boozman (R-AR)



Sherrod Brown (D-OH)



John Hoeven (R-ND)



Heidi Heitkamp (D-ND)



Joni Ernst (R-IA)

Names in **bold** are chairs/ranking members

# House members of the Farm Bill conference (47 total)

## Agriculture

### Republicans

1. **Mike Conway (TX-11)**
2. Glenn Thompson (PA-5)
3. Bob Goodlatte (VA-6)
4. Frank Lucas (OK-3)
5. Mike Rogers (AL-3)
6. Austin Scott (GA-3)
7. Rick Crawford (AR-1)
8. Vicky Hartzler (MO-4)
9. Rodney Davis (IL-13)
10. Ted Yoho (FL-3)
11. David Rouzer (NC-7)
12. Roger Marshall (KS-1)
13. Jodey Arrington (TX-19)

### Democrats

1. **Collin Peterson (MN-7)**
2. David Scott (GA-13)
3. Jim Costa (CA-16)
4. Tim Walz (MN-1)
5. Marcia Fudge (OH-11)
6. Jim McGovern (MA-2)
7. Filemon Vela (TX-34)
8. Michelle Lujan Grisham (NM-1)
9. Ann Kuster (NH-2)
10. Tom O'Halleran (AZ-1)

Names in **bold** are chairs/ranking members

## Education and Workforce

### Republicans

1. **Virginia Foxx (NC-5)**
2. Rick Allen (GA-12)

### Democrats

1. Alma Adams (NC-12)

## Energy and Commerce

### Republicans

1. John Shimkus (IL-15)
2. Kevin Cramer (ND-AL)

### Democrats

1. Paul Tonko (NY-20)

## Financial Services

### Republicans

1. **Jeb Hensarling (TX-5)**
2. Sean Duffy (WI-7)

### Democrats

1. **Maxine Waters (CA-43)**

## Trans. & Infrastructure

### Republicans

1. Jeff Denham (CA-10)
2. Bob Gibbs (OH-7)

### Democrats

1. Cheri Bustos (IL-17)

## Foreign Affairs

### Republicans

1. **Ed Royce (CA-39)**
2. Steve Chabot (OH-1)

### Democrats

1. **Eliot Engel (NY-16)**

## Natural Resources

### Republicans

1. **Rob Bishop (UT-1)**
2. Bruce Westerman (AR-4)

### Democrats

1. **Raul Grijalva (RM, AZ-3)**

## Science, Space, & Tech.

### Republicans

1. Ralph Abraham (LA-5)
2. Neal Dunn (FL-2)

### Democrats

1. **Eddie Bernice Johnson (TX-30)**

## Oversight & Gov't Reform

### Democrats

1. Stacey Plaskett (VI)

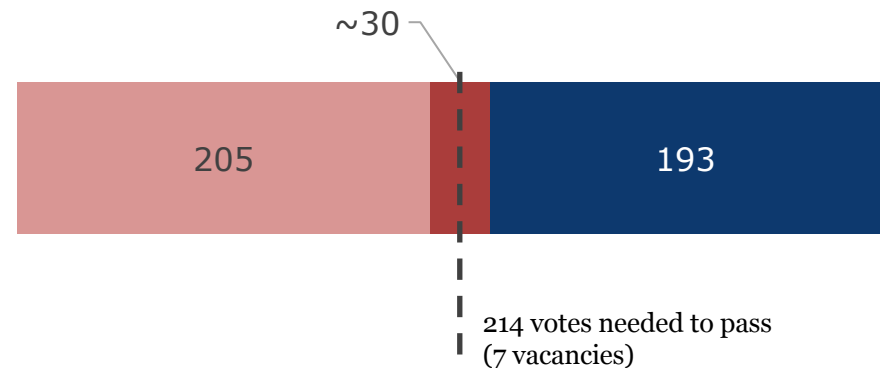
# The first House vote failed because the Freedom Caucus voted against the legislation, demanding votes on immigration

Republicans have a small enough margin in the House that the Freedom Caucus can block any party-line legislation

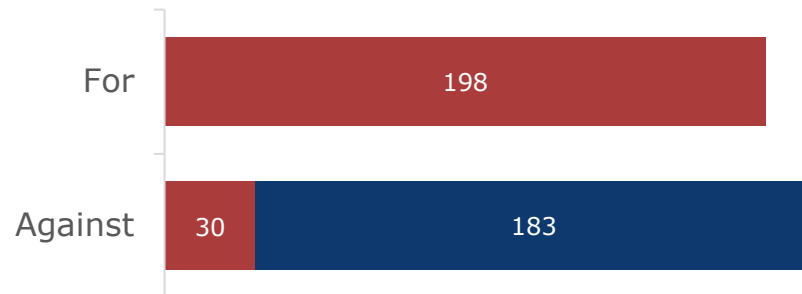


## Freedom Caucus

- ~30 members
- Farthest-right group of Republicans
- Chair, Mark Meadows (R-NC11)



Enough Freedom Caucus members and some moderate Republicans opposed to changes to SNAP voted against the Farm Bill, sinking it



**First vote failed  
198-213**



# According to CBO, work provisions would result in 1.2 million fewer recipients and a net decrease in spending of \$1.5 billion

## SNAP costs/savings due to work provisions OVER 10 YEARS (2019-2028)

**\$9.2 billion**  
Reduction in benefits

**\$7.7 billion**  
Increase in spending on training programs

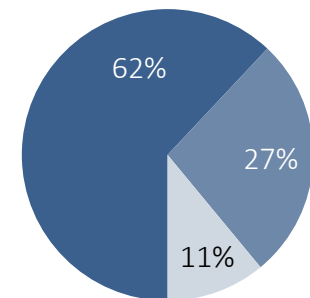
**\$1.5 billion**  
Net decrease in spending on SNAP

## What does this mean in terms of recipients? DURING AN AVERAGE MONTH IN 2028

**1.2 million**  
Fewer recipients

### *Individuals losing SNAP benefits*

- Able-bodied adults caring for children 6 or older
- Able-bodied adults between the ages of 50-59 without dependents
- Able-bodied adults between the ages of 18-49



# Democrats showed unified opposition to the House SNAP provisions and Republicans say they are needed reforms



Nancy Pelosi  
House Minority Leader

“

Democrats cannot support this radical, harmful Republican bill. Rural America and hard-working families deserve a balanced Farm Bill that reflects the reality of the struggling farm economy for the 16 million men and women of agriculture and the nearly 41 million Americans who are food insecure.”



Paul Ryan  
Speaker of the House

“

Included in this farm bill are much-needed reforms that will strengthen America's workforce and help people move out of poverty. For too long, vague and unenforceable requirements have discouraged work and left many good jobs unfilled.”



Sonny Perdue  
Secretary of Agriculture

“

As the bill heads to the floor, I hope the House recognizes the long-term certainty it provides for America's farmers, just as it preserves nutrition programs for people who need help feeding themselves and their families.”



Chairman Roberts  
Senate Ag Committee

“

[Ranking Member Stabenow and I] continue to be committed to working on a Farm Bill for all farmers and families ... We're working together as quickly as possible to produce a bipartisan bill that can pass the Senate and be enacted into law.”

# SNAP work requirements apply to able-bodied adults without dependents (ABAWDs), but 36 states have some sort of waiver

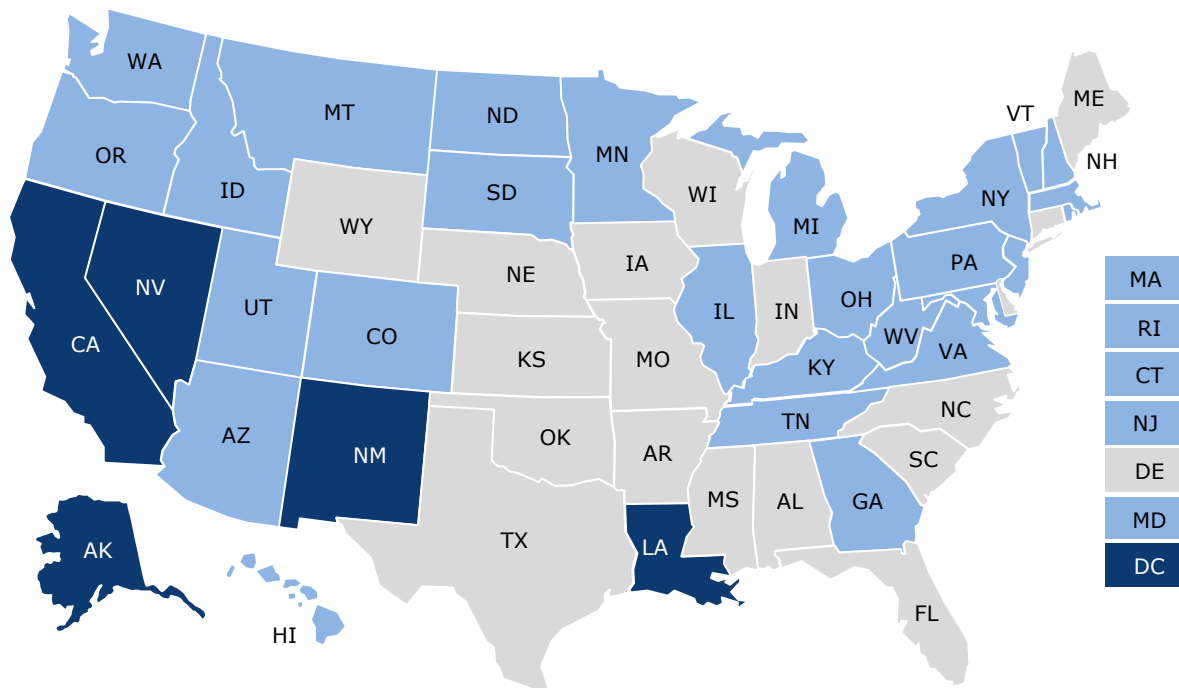
## Waivers for 3-month SNAP limit for ABAWDs

AS OF APRIL 6, 2018

■ State-wide waiver ■ Partial waiver ■ No waiver

ABAWDs must work or attend training programs for 80 hours per month, or they can only receive SNAP for 3 months in a 3 year period

States or localities may receive waivers to these work requirements to respond to disasters, or particular economic troubles



Sources: USDA, FNS.

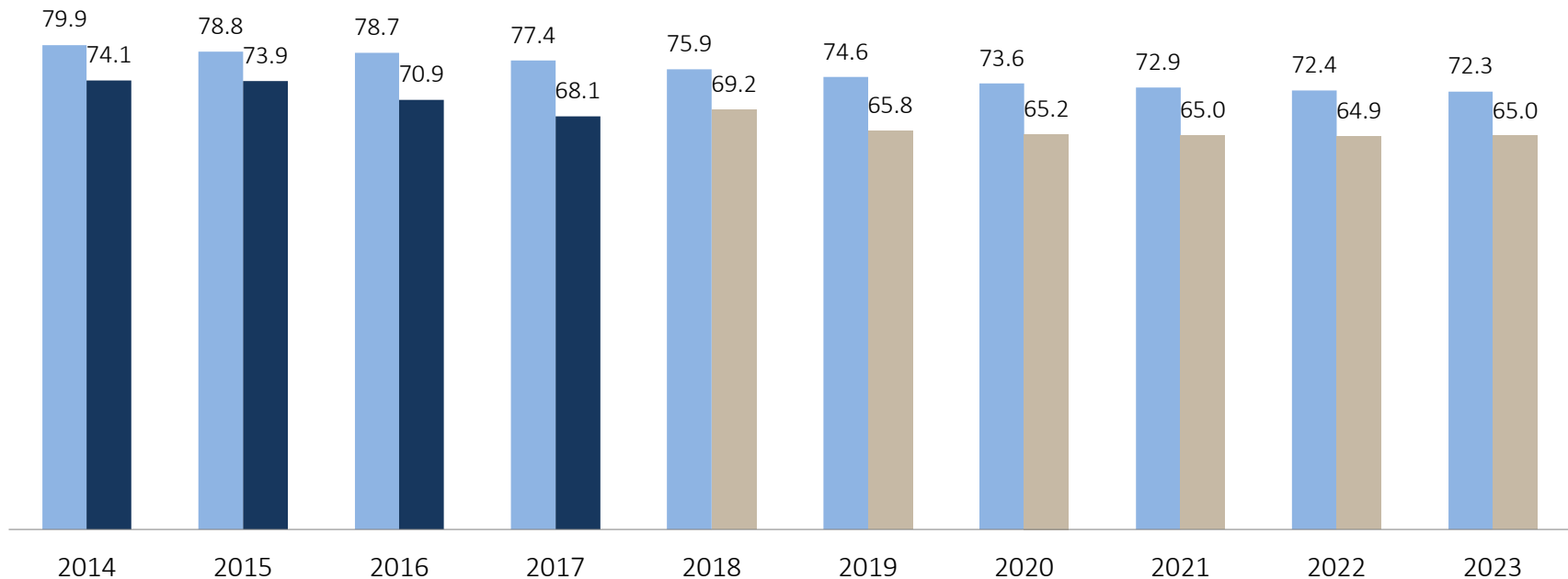
# The SNAP program is now expected to cost \$74 billion less by 2023 than originally predicted in 2014 by CBO

## Annual cost of SNAP programs

IN BILLIONS OF USD

- CBO FY2014 baseline
- Actual outlays
- CBO FY2018 baseline

- 2014 predicted SNAP cost (2014-2023): \$756.5 billion
- 2018 predicted SNAP cost (2014-2023): \$682.1 billion
- 10-year savings: \$74 billion



Sources: Congressional Budget Office, FY2014 "CBO Baseline, April 2014." USDA, "Supplemental Nutrition Assistance Program Participation and Costs."

# Rep. Earl Blumenauer (D-OR) is leading the left's opposition to the current Farm Bill structure

## Key provisions of the “Food and Farm Act”



### Title I – Commodities and Crop Insurance

- Eliminates the Agriculture Risk Coverage and Price Loss Coverage programs
- Limits total subsidies to \$125,000 per year
- Reduces the Adjusted Gross Income cap to \$500,000 including crop insurance premium subsidies
- Gives crop insurance premium subsidies to farmers planting erosion-reducing cover crops



### Title II – Conservation

- Requires all farmers receiving crop insurance subsidies to implement conservation requirements
- Eliminates EQIP payments to farms with CAFOs



### Title IV – Nutrition

- Increases minimum SNAP benefit from \$16 to \$25
- Makes the Fruit and Vegetable Pilot Program permanent
- Expands the Healthy Food Financing Initiative



### New Titles

- Creates an Animal Welfare Title that reverses many Trump-era deregulations
- Creates a Food Waste Title that creates an office of food waste and standardizes food waste measurement



Rep. Earl Blumenauer  
Democrat – Oregon's 3<sup>rd</sup> District

Encompasses legislation from:

- Rep. Alcee Hastings (D-FL20)
- Rep. Alma Adams (D-NC12)
- Rep. Chellie Pingree (D-ME1)

Also working with celebrity food writer **Michael Pollan**



# Results of the NAFTA negotiations could drastically alter the agricultural landscape of the United States

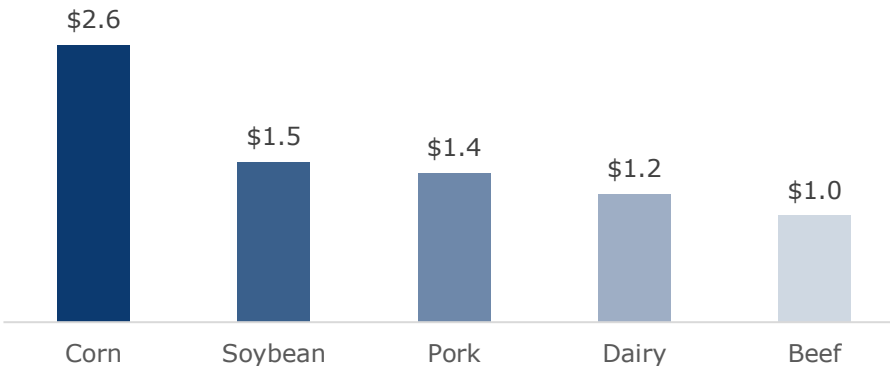
## Key effects of NAFTA on the agriculture industry

If the administration withdraws from NAFTA, tariffs would revert to WTO levels. Tariffs under NAFTA are 0% for most goods. The average tariffs for exports to each country are:

- **United States:** 3.5%
- **Canada:** 4.2%
- **Mexico:** 7.1%

## Top agricultural exports to Mexico

IN BILLIONS OF USD



For agricultural goods, the US would see much higher tariffs without NAFTA, particularly with Mexico:

 **Wheat** **15%**

 **Beef** **25%**

 **Chicken** **75%**

 **Potatoes** **75%**

Sources: Ana Swanson and Kevin Granville, "What Would Happen if the US Withdrew From Nafta," NY Times, October 12, 2017; "US agriculture exports to Mexico and Canada amounted to \$41 billion in 2016," Quartz, July 17, 2017; "NAFTA's Economic Impact," Council on Foreign Relations, Oct. 4, 2017.