

Info Alert

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House and Senate Agriculture Committees Release Farm Bill Drafts

On May 9 and 10 respectively, the [Senate Agriculture](#) and [House Agriculture](#) Committees released their new farm bill proposals. Both bills are scheduled to be marked up later this week, with the Senate holding its hearing on the [Agriculture Reform, Food and Jobs Act of 2013](#) (S. 10) on May 14 and the House scheduled to mark up the [Federal Agriculture Reform and Risk Management Act \(FARRM\) Act of 2013](#) on May 15. The proposals follow last year's unsuccessful attempt by Congress to pass a farm bill although they were able to agree to extend certain provisions as part of the fiscal cliff deal at the end of 2012.

Overall, the Senate bill is similar to a version approved in 2012, with Senate Chairwoman Debbie Stabenow (D-Mich.) estimating that it would save \$23 billion over 10 years. The House proposal is estimated to save \$39.7 billion over 10 years, although the Congressional Budget Office (CBO) has yet to release its final official estimates.

Direct Payments and Crop Insurance

Both the House and Senate proposals would repeal, at the end of the 2012 crop year, Direct Payments, Counter-Cyclical Payments (CCPs), the Average Crop Revenue Election (ACRE) Program, and the Supplemental Revenue Assistance Payments (SURE) Program, saving an estimated \$16 billion.

The House would establish the Price Loss Coverage (PLC) and Revenue Loss Coverage (RLC) programs, which helps address multi-year price declines and revenue losses respectively. The Senate proposal would establish the Agricultural Risk Coverage (ARC) and Adverse Market Payments (AMP) programs. The ARC program allows farmers to choose between coverage at the individual farm level or at the county-level. Payments to farmers will be available only when actual losses are experienced based on of a market-based historic benchmark. AMP provides payments to farmers only when prices drop below a reference price. However, in order to be eligible for ARC and AMP, all farmers must agree to comply with conservation and wetlands requirements. Also, any person or entity with an adjusted gross income (AGI) of more than \$750,000 will be ineligible for payments, which are now capped at \$50,000 per entity. The House bill would not require conservation compliance for crop insurance or contain any income eligibility limitations for crop insurance.

Conservation

The House bill would authorize \$56.8 billion for conservation programs over 10 years  as well as consolidate 23 existing programs into 13, which would save approximately \$6 billion between 2014 and 2023 compared with current spending levels. It also would reduce the acreage enrolled in the Conservation Reserve Program (CRP) and the Conservation Stewardship Program (CSP). CRP provides payments from USDA to farmers and ranchers as well as cost-share assistance to use certain plants to improve water quality and control soil erosion. CSP is a program that includes payments to farmers and ranchers to undertake conservation activities, such as improving drainage and reducing erosion, which the states have identified as priorities on working lands. CRP acreage would be capped at 24 million acres, a reduction from the existing 32 million acres authorized under the 2008 farm bill. CSP enrollment would be capped at 8.69 million acres, a reduction from the nearly 13 million acres currently allowed. The Senate bill would consolidate 23 existing conservation programs into four program functions, achieving \$5 billion in deficit reduction. CRP enrollment would be reduced to 25 million acres. CSP enrollment would be capped at 10.3 million acres.

Energy Funding

The Senate proposal includes \$800 million in mandatory funding for energy programs, similar to the levels included in last year's Senate approved bill. Mandatory funding is not typically subject to the annual appropriations process. This funding includes \$216 million for the Biorefinery Assistance Program, which provides funding for the development of advanced biofuels as well as \$193 million for the Biomass Crop Assistance Program, which provides financial assistance for biomass feed stocks. The bill would also provide \$241 million for the Rural Energy for America Program, which provides grants and loan guarantees for renewable energy and energy efficiency programs, and \$130 million for Biomass Research and Development, according to the summary. Although the House proposal does not include such mandatory funding, it does include nearly \$1.4 billion in discretionary funding (the Senate includes \$1.2 billion in discretionary funding) for several energy related programs that aim to promote the development of advanced biofuels, solar, wind, and energy efficiency projects. Since it would be classified as discretionary, appropriators would need to approve funding annually which is often much more difficult.

SNAP

With regard to the Supplemental Nutrition Assistance Program (SNAP), the House bill proposes \$20.5 billion in savings, \$11.5 billion of which would come from changes to categorical eligibility and \$8.69 billion would come from requiring states to make at least \$20 in payments for energy assistance for people to be eligible for food assistance. The Senate bill proposes slight changes to the \$4 billion in cuts that it approved last year. For further details on the provisions concerning nutrition, please see [NCSL's Human Services and Welfare Committee](#).

Livestock

Both the House and Senate bills extend supplemental disaster assistance for livestock producers who have been affected by the severe weather, drought and other natural disasters that have recently impacted the United States. Programs include the Livestock Indemnity Program (LIP),

Livestock Forage Program (LFP), Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP), and the Tree Assistance Program (TAP).

Dairy

Both the House and the Senate bills replace the Dairy Product Price Support Program (DPPSP) and the Milk Income Loss Contract Program (MILC) with the Dairy Production Market Protection Program (DPMPP) and the Dairy Market Stabilization Program (DMSP) both of which aim to provide insurance to dairy producers with DPMPP providing a basic level of coverage at no cost, while the DMSP additional coverage for some cost.

Other Items

Both the House and Senate bills would consolidate all conservation easement programs under one program, the Agricultural Conservation Easement Program. Additionally, both bills would reauthorize the current sugar program. International food assistance programs are continued in both proposals. This differs from the administration's proposal, included in their 2014 budget, which aims to shift to cash assistance that can be expended in other countries.

If you have any questions regarding either the House or Senate Proposals or would like further information please contact [Ben Husch](#) (202-624-7779) or [Melanie Condon](#) (202-624-3597).