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## **Official Position 13**

**May 2014**

### **Farm, Markets, Food & Nutrition, Credit, Conservation, Forestry, New Farmers, Rural Development, Research, Energy, Specialty Crops, Crop Insurance & Misc.**

#### **Overview; Policy Goals & Areas of Effort**

Nothing is more vital to a Nation’s security than agriculture. No government can survive with a hungry population. In the United States, 16 million jobs depend on the strength and continued success of American agriculture. Our farmers grow the safest and most abundant supply of food, fiber and energy in the world. Innovations in agriculture allow families to put healthy, nutritious food on their tables at a lower cost than in most other countries. Few, if any, areas are more complex and diverse than the multifaceted functions of producing, safely processing, labeling, distributing, and assuring delivery of safe, adequate food for a Nation as diverse and enormous as ours.

This complexity necessarily makes this paper long. Its overview of the US Department of Agriculture, expressed in short segments largely borrowed from USDA, illustrates the scope and complexity of Farm, Markets, Food & Nutrition policy. The review of the Farm Bill, or “Agricultural Act of 2014”, is also largely borrowed, but necessary to inform one of the current complex areas of federal law and policy.

#### **The USDA**

President Abraham Lincoln recognized this when, in 1862, he signed a law creating the Department of Agriculture. Lincoln called it “The People’s Department”. Since then, the food production, and food, nutrition, safety, inspection and marketing services of the United States Government have been furnished in and through the Department of Agriculture. USDA has changed over the years as needs have changed. It stepped up to protect soil during the dustbowl, and to supply nutrition during the Great Depression. It developed an inspection service to protect the public food supply in response to mechanized food production and processing.<sup>1</sup>

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<sup>1</sup> <http://www.usda.gov/wps/portal/usda/usdahome?navid=USDA150>

The United States Department Of Agriculture covers a wide range of programs and provides broad services. Farm and Foreign Agricultural Services helps to keep America's farmers and ranchers in business as they face the uncertainties of weather and markets. They deliver commodity, credit, conservation, disaster, and emergency assistance programs that help improve the stability and strength of the agricultural economy.

In a different are of USDA, Food, Nutrition and Consumer Services works to harness the Nation's agricultural abundance to end hunger and improve health in the United States. Its agencies administer federal domestic nutrition assistance programs and the Center for Nutrition Policy and Promotion, which links scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education. In one area of USDA, Farm and Foreign Agricultural Services helps to keep America's farmers and ranchers in business as they face the uncertainties of weather and markets. They deliver commodity, credit, conservation, disaster, and emergency assistance programs that help improve the stability and strength of the agricultural economy.

In a second area, Food, Nutrition and Consumer Services work to harness the Nation's agricultural abundance to end hunger and improve health in the United States. Its agencies administer federal domestic nutrition assistance programs and the Center for Nutrition Policy and Promotion, which links scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education.

USDA Food Safety ensures that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and properly labeled, and packaged. This mission area also plays a key role in the President's Council on Food Safety and has been instrumental in coordinating a national food safety strategic plan among various partner agencies including the Department of Health and Human Services and the Environmental Protection Agency.

Elsewhere, USDA Marketing and Regulatory Programs (MRP) facilitates domestic and international marketing of U.S. agricultural products and ensures the health and care of animals and plants. MRP agencies are active participants in setting national and international standards. At the same time, USDA Natural Resources and Environment ensures the health of the land through sustainable management. Its agencies work to prevent damage to natural resources and the environment, restore the resource base, and promote good land management.

USDA has educational duties, too. USDA Research, Education and Economics is dedicated to the creation of a safe, sustainable, competitive U.S. food and fiber system, as well as strong communities, families, and youth through integrated research, analysis, and education.

USDA is also responsible to help assure the health and welfare of rural America. Rural Development is committed to helping improve the economy and quality of life in all of rural America by providing financial programs to support essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and

telephone service. Rural Development promotes economic development by providing loans to businesses through banks and community-managed lending pools, while also assisting communities to participate in community empowerment programs. RD helps rural areas to develop and grow by offering Federal assistance that improves quality of life. RD targets communities in need and then empowers them with financial and technical resources.<sup>2</sup>

All these areas make a mosaic food, farm, and nutritional support mosaic. Each aspect is central to American life. Each aspect has an epicenter within the country. All aspects have historically been covered by a single Farm Bill because each alone may lack a sufficient constituency to steer complex legislation involving only part of the overall mosaic, through Congress. For example, farmers are now less than 2% of the total population. They are vital to the Nation's health, safety and welfare. But they lack political cloud, unless joined with other interests, to ensure that sufficient attention is focused upon their needs to make sound policy. This is why it is necessary that the food and nutrition components of the Farm, the bill must remain in the same bill.

### **What Law & Policy Now Governs Farm, Markets, Food Safety & Nutrition Issues?**

An assessment of American agricultural law and policy must begin with a thorough understanding and review of the current law. This means the Farm Bill enacted in 2014, and to remain in effect through 2018, must be fully understood. To this end, the *Agricultural Act of 2014*, also known simply as the *Farm Bill* is summarized below, with assistance from identified sources.

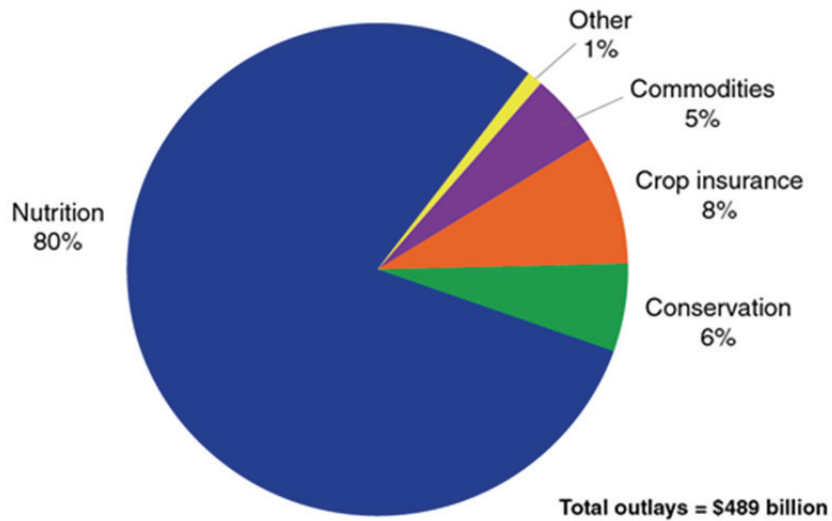
A new farm law, the [Agricultural Act of 2014](#) (2014 Farm Act), was signed on February 7, 2014, and will remain in force through 2018—and in the case of some provisions, beyond 2018. The 2014 Farm Act makes major changes in commodity programs, adds new crop insurance options, streamlines conservation programs, modifies some provisions of the Supplemental Nutrition Assistance Program (SNAP), and expands programs for specialty crops, organic farmers, bioenergy, rural development, and beginning farmers and ranchers.

The Congressional Budget Office (CBO) projects that 80 percent of outlays under the 2014 Farm Act will fund nutrition programs, 8 percent will fund crop insurance programs, 6 percent will fund conservation programs, 5 percent will fund commodity programs, and the remaining 1 percent will fund all other programs, including trade, credit, rural development, research and extension, forestry, energy, horticulture, and miscellaneous programs.

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<sup>2</sup> [http://www.usda.gov/wps/portal/usda/usdahome?navid=USDA\\_MISSION\\_AREAS](http://www.usda.gov/wps/portal/usda/usdahome?navid=USDA_MISSION_AREAS)

### Projected outlays under the 2014 Farm Act, 2014-2018



Source: USDA Economic Research Service using data from Congressional Budget Office, Cost Estimates for the Agricultural Act of 2014, Jan 2014.

This chart is borrowed from the USDA Economic Research Service.<sup>3</sup>

### Agricultural Act of 2014

In the United States, some 16 million jobs depend on the strength and continued success of American agriculture. Our farmers grow the safest and most abundant supply of food, fiber and energy in the world. Innovations in agriculture allow families to put healthy, nutritious food on their tables at a lower cost than in most other countries..

#### Major provisions

##### Title I: Commodities

Farmers face unique risks unlike those in other professions. Weather and market conditions outside a producer's control can have a devastating effect on producers, especially family farms. This bill ends direct payments, strengthens crop insurance, and encourages innovative risk management approaches that only provide assistance to producers when their farms are threatened by risks outside their control.

##### Eliminates Direct Payments

Direct Payments, Counter-Cyclical Payments (CCPs), the Average Crop Revenue Election (ACRE) Program, and the Supplemental Revenue Assistance Payments (SURE) Program are repealed at the end of the 2013 crop year, creating \$18.4 billion in savings for deficit reduction.

<sup>3</sup> <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications.aspx#.U1PIR1dOD3U>

### **Ends Farm Payments to Millionaires**

Any person or entity with an adjusted gross income (AGI) of more than \$900,000 will be ineligible for payments from farm subsidy programs, which are now capped at \$125,000 per person including marketing loans for the first time ever. The bill requires the Department of Agriculture to close the “management loophole” by updating its definition of management and allows, for the first time, USDA to put limits on the number of managers on a farm.<sup>4</sup>

### **Responsible Risk Management**

Farmers will have access to risk management tools that complement crop insurance and protect against both price and yield losses. Farmers may choose to participate in either the Agricultural Risk Coverage (ARC) program or the Price Loss Coverage (PLC) program. ARC covers losses at either the individual farm level or at the county-level. PLC provides payments when the price of a crop drops below a reference price. Both programs will make payments using historic base acres, decoupled from production, thereby minimizing the program’s influence on farmers’ decisions on what and where to plant. In order to be eligible for either program, all farmers must agree to comply with conservation and wetlands requirements. Agricultural Act of 2014 Senate Committee on Agriculture, Nutrition and Forestry

### **Marketing Loans**

The Marketing Loan Program is continued to help provide farmers operating capital for their farms with a loan rate adjustment for upland cotton that is designed to bring the program into better compliance with World Trade Organization (WTO) requirements in response to Brazil’s WTO lawsuit.

### **Sugar**

The Sugar Program is continued without changes through 2018.

### **Stronger Dairy Programs**

Recognizing that dairy is a unique commodity, two new programs replace existing dairy programs. The Dairy Margin Insurance program is an insurance program that protects producer margins equal to the difference between the all-milk price and a national feed cost. For small and medium-sized farms, lower premium margin protection is offered on the first 4 million pounds of milk marketed (the annual production of approximately 200 cows). The Dairy Product Purchasing Program gives the USDA flexibility to purchase dairy products when margins fall below \$4.00, and those products will be donated to organizations like food banks, soup kitchens, and homeless shelters. The new purchase program provides a backstop to ensure margins do not fall below the catastrophic \$4.00 level, like they did in 2009. These programs replace the Dairy Product Price Support Program (DPPSP) and the Milk Income Loss Contract Program (MILC).

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<sup>4</sup> Extensive Federal Research supports each area of the 2014 Farm Bill. See, <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/ers-policy-related-research.aspx#.U1PlrVdOD3U>

### **Livestock & Supplemental Disaster Program**

The bill extends supplemental disaster assistance for producers whose livestock has been affected by high mortality rates caused by severe weather, disease, or other acts of nature. This assistance is provided retroactively to October 1, 2011, and the program is made permanent. Additionally, it will provide assistance to livestock producers who have experienced grazing losses due to drought. It also continues assistance for natural disasters that destroy grazing land, honey bees, farm fish, orchard trees, and nursery trees.

## **Title II: Conservation**

The Agriculture Act of 2014 represents the most significant investment in land, water and wildlife conservation in years. The bill helps farmers and ranchers conserve vital natural resources such as healthy soil, clean water, and wildlife habitat. The 2014 Farm Bill continues important conservation investments while streamlining and improving programs to make them more effective and reducing overall spending.<sup>5</sup>

Overall the Farm Bill's Conservation Title saves \$6 billion in mandatory spending by streamlining programs and reducing program duplication. The bill consolidates 23 programs into 13 while still maintaining, and in some cases strengthening, the tools needed to sufficiently conserve land and water resources. While the Farm Bill reduces the number of programs, it preserves the ability to deliver the core conservation purposes and objectives of all existing programs. Agricultural Act of 2014 Senate Committee on Agriculture, Nutrition and Forestry

### **Working Lands**

#### **Environmental Quality Incentives Program (EQIP)**

The 2014 Farm Bill continues the Environmental Quality Incentives Program (EQIP), providing farmers and ranchers with important cost-share assistance on working lands for conservation activities that help farmers meet or avoid the need for natural resource regulation.

#### **Conservation Stewardship Program (CSP)**

The 2014 Farm Bill continues the Conservation Stewardship Program (CSP) program which encourages higher levels of conservation and the adoption of new and emerging conservation technologies on farms, ranches, and forests. The Farm Bill made changes to the program to ease use and implementation.

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<sup>5</sup> Conservation research is collected at <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/ers-policy-related-research.aspx#.U1PlrVdOD3U>

### **Conservation Innovation Grants (CIG)**

Conservation Innovation Grants are provided on a competitive basis to encourage the development of new or improved conservation practices. CIG is geared towards projects that offer new approaches to providing producers environmental and production benefits. A new reporting requirement is added to increase program transparency.

### **Voluntary Public Access and Habitat Incentive Program**

Private landowners are able to realize a value-added benefit by creating wildlife habitats and opening their land up to hunting, fishing, and other kinds of public outdoor recreation. This program is continued with funding at \$40 million.

### ***Conservation Reserve Program***

#### **Refocuses the Conservation Reserve Program**

The Conservation Reserve Program (CRP) helps conserve soil, water and wildlife resources by placing highly erodible and environmentally sensitive land in conserving uses through voluntary contracts with farmers, ranchers and landowners. The Farm Bill provides for a “step down” of the acreage cap over the five-year life of this legislation as follows:

Fiscal year 2014, no more than 27.5 million acres

Fiscal year 2015, no more than 26 million acres

Fiscal year 2016, no more than 25 million acres

Fiscal year 2017, no more than 24 million acres

Fiscal year 2018, no more than 24 million acres.

The Farm Bill also allows for a new option for the enrollment of up to 2 million acres of grasslands in the CRP. This gives farmers and ranchers another tool to protect grassland from conversion. Agricultural Act of 2014 Senate Committee on Agriculture, Nutrition and Forestry.

Without question, the Farm Bill is the key piece of federal law expressing the nation’s policies toward food and farming. <http://www.usda.gov/wps/portal/usda/usdahome?navid=USDA150>

### **Regional Conservation Partnership Program**

This new approach to conservation has been called “the future of conservation” by former NRCS Chief Dave White, and will leverage a significant amount of taxpayer dollars while placing emphasis on locally led conservation. The 2014 Farm Bill:

Establishes a new partnership program which consolidates four programs into one that will support projects that improve soil quality, water quality and quantity, or wildlife habitat in a specific area or region.

Increases transparency and accountability by selecting projects through a competitive, merit-based process to achieve project goals.

Institutes a Critical Conservation Area component through which the Agriculture Secretary shall designate areas with particularly significant water quality and quantity issues and natural resource regulatory pressures.

## ***Easements***

### **Simplified Easements Program**

The Farm Bill streamlines three conservation easement authorities into a single program, the Agricultural Conservation Easement Program. The overall program contains two parts: Agricultural Land Easements and Wetland Reserve Easements.

Agricultural Land Easements are used to protect agricultural land from development and keep them devoted to agricultural uses, including keeping grazing lands and important grasslands in grazing and related uses.

Wetland Reserve Easements are used to restore, protect, and enhance wetlands, which are important for water quality, quantity and wildlife habitat in many areas.

Provides sufficient funding and authority through 10-year baseline methods for all types of easements.

### **Conservation Compliance**

The conservation compliance provision included in the Farm Bill reflects the growing role crop insurance plays in helping America's farmers manage risk. Conservation compliance links basic conservation requirements to crop insurance premium subsidy.. These conservation requirements also apply to agricultural producers participating in the commodity support programs in Title I and all conservation programs.

### **Sodsaver**

The Sodsaver provision increases individual accountability by reducing farm program benefits to farmers producing on newly broken lands. Sodsaver does not prohibit farmers from breaking out new land; it ensures they do so at their own risk, and not at the expense of taxpayers.

### **Grazing Land**

The program is reauthorized to improve private grazing land by offering technical assistance and educational activities to landowners looking to better manage their land.



### **Grassroots Source Water Protection Program**

State rural water associations are encouraged to use technical assistance in order to promote conservation activities that protect the quality of our nation's drinking water through this program.

### **Small Watershed Rehabilitation Program**

Many of the flood control structures (mainly dams) in our country are reaching their maximum life expectancy. This program provides for projects to improve their longevity.

### **Payments in Lieu of Taxes (PILT)**

The Farm Bill reauthorizes the PILT program for one year. This program provides Federal payments to local governments that help offset losses in property taxes due to non-taxable Federal lands within their boundaries. PILT payments help local governments carry out services such as firefighting and police protection and construction of public schools and roads.

## **Title III: Trade**

The United States maintains a significant trade surplus in agriculture, which is one of the few sectors where we export more than we import. The Agriculture Act of 2014 continues that leadership with a focus on opening new markets and fighting trade barriers. It also recognizes the importance of America's leadership in times of food emergencies and reforms key policies to reduce waste in the system and provide flexibility to respond to changing food aid needs. Through the modest, common sense reforms through the Farm Bill, our international food aid programs will be able to reach additional 500,000 hungry people around the world.

### ***Agricultural Trade Promotion***

#### **Export Credit Guarantee Program (GSM-102)**

This program provides export credit guarantees to help ensure the availability of credit to finance the exports of U.S. agricultural products to countries where financing might not be available. To address concerns related to the Brazil WTO case, current levels of export credit guarantees are maintained at \$5.5 billion. This works to ensure compliance with the dispute settlement with Brazil, while maintaining United States export competitiveness for agriculture.

#### **Market Access Program**

This program provides matching funds to promote U.S. agricultural products in overseas markets.

#### **Foreign Market Development Program**

This program provides matching funds to nonprofit commodity or trade associations to aid in the long-term expansion of export markets for U.S. agricultural products.

### **Emerging Markets and Facility Guarantee Loan Program**

This program provides funding for technical assistance to promote U.S. agricultural products to emerging markets and supports loan guarantees to establish or improve agriculture-related facilities in emerging markets.

### **Technical Assistance for Specialty Crops**

This program provides financial assistance to producers and exporters of specialty crops in addressing barriers to trade for their products in overseas markets. The bill revises the “Purpose” section of the program slightly to ensure that technical barriers to trade (e.g., burdensome regulatory requirements) can be addressed under the program.

### **Global Crop Diversity Trust**

The Trust provides for storage and maintenance of seed from food crops from all over the world in a facility in the Arctic Circle in northern Norway. The bill authorizes funds through 2017 to fund the Global Crop Diversity Trust. U.S. contributions may not exceed one fourth of the total of funds contributed to the Trust from all sources.

### ***International Food Aid Programs***

#### **Speeds Emergency Food Aid Response**

The bill increases amounts of Food for Peace funds available to support strategic prepositioning, which brings food aid commodities to at-risk regions before food emergencies strike.

#### **Farmer to Farmer**

This program, which is within Title II, sends American citizens with valuable agricultural skills to areas in developing countries that need technical assistance.

#### **McGovern-Dole**

This program facilitates distribution of food commodities through schools in developing countries through partner organizations to improve food security, reduce hunger, and improve literacy. The program has projects in over 40 countries and feeds about 5 million children in need every year.

#### **Local and Regional Food Aid Procurement**

Local and Regional Food Aid Procurement allows organizations to purchase food through local and regional markets. This promotes stability by supporting local producers and economies. By linking local and regional purchasing with the McGovern-Dole International Food for Education

and Child Nutrition Program in the application process, this bill also encourages project graduation for schools participating in McGovern-Dole.

### **Food Aid Quality**

The bill puts into action the recommendations of a study authorized by the 2008 Farm Bill to research U.S. Food Aid quality. The Administrator is given increased flexibility to improve the nutritional profile of food aid for target populations, such as children under five and mothers. Agricultural Act of 2014 Senate Committee on Agriculture, Nutrition and Forestry 7

## **Title IV: Nutrition**

The Agricultural Act of 2014 strengthens the integrity and accountability of federal nutrition programs, while preserving access to critical food assistance for families. The bill also establishes and expands programs that provide healthy foods to low-income children, seniors and families.<sup>6</sup>

### ***Supplemental Nutrition Assistance Program***

#### **Cracks Down on Trafficking**

The Department of Agriculture will receive additional funds to prevent trafficking of food assistance benefits and to strengthen retailer program integrity.

#### **Prevents Lottery Winners from Receiving Food Assistance**

Anyone with substantial lottery or gambling winnings will lose benefits immediately after receiving winnings. Winners will be prevented from receiving new benefits if they do not meet the financial requirements of SNAP.

#### **Prevents College Students from Misusing Benefits**

Limits SNAP eligibility for college students based on Perkins program criteria. This focuses eligibility on those participating in technical and vocational ed programs, primarily 2 year colleges, trade studies, remedial course work, basic adult literacy, or English as a 2<sup>nd</sup> language.

#### **Improves the Quality of Participating Retail Stores**

Requires participating retailers to stock a greater quantity and variety of staple foods, including perishable items like fruits and vegetables. This will ensure retailers offer a more robust supply of staple foods, while still protecting food access for participants.

#### **Closes Gap in Standards for Utility Allowance**

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<sup>6</sup> Nutrition research by USDA and other federal agencies may be accessed at <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/ers-policy-related-research.aspx#.U1PlrVdOD3U>

Benefits allocations are determined using both income and expenses. The Standard Utility Allowance is used by many states to estimate average utility costs in order to make benefits determinations. This provision will stop states from issuing extremely low LIHEAP benefits to qualify households to receive Standard Utility Allowances for the sole purpose of increasing their SNAP benefits. This provision will not affect any households that demonstrate a utility cost.

### **Preserves SNAP Nutrition Education**

This program supports projects that improve the likelihood individuals eligible to receive SNAP will choose physically active lifestyles and make healthy food choices within a limited budget, consistent with the current Dietary Guidelines. The bill adds physical activity as an eligible use of the program, and maintains current funding levels. The overwhelming majority of SNAP recipients who can work do so. However, many people receiving food assistance benefits are working poor, or underemployed individuals looking for stable, full-time work. The Farm Bill provides up to ten states with an opportunity to test new work and training activities that eliminate many of the barriers to employment such as lack of childcare or transportation. The bill also continues the current SNAP Employment and Training program and strengthens oversight and accountability to improve outcomes.

### ***Additional Nutrition Programs***

#### **Gives Seniors Access to Healthy Fruits and Vegetables**

The bill maintains funding authorizations at current levels for the Commodity Supplemental Food Program (CSFP). Transitions CSFP to a program for senior citizen populations while allowing the small percentage of women and children currently enrolled in CSFP to continue to receive services through the program until they have exceeded the age of eligibility. Women, infants and children will all be served by the Women, Infants, and Children (WIC) program, which is more suited to meet their needs.

#### **Increases Assistance for Food Banks**

Local food banks are struggling to provide enough food to needy families in their area. The Emergency Food Assistance Program (TEFAP) helps supplement the diets of low-income individuals by providing emergency food and nutrition assistance, largely through food banks. The bill also provides additional funding to help meet the immediate high need at food banks.

#### **Department of Defense Fresh Program**

The bill maintains current funding for the Department of Defense Fresh Program, which distributes fresh fruits and vegetables to schools and service institutions. It also continues to allow the Agriculture Marketing Service to conduct pilots to allow states to source locally.

#### **Senior Farmers Market Nutrition Program**

Maintains current funding levels for the Senior Farmers Market Nutrition Program, which provides low-income seniors with coupons that can be exchanged for eligible foods (fruits, vegetables, honey, and fresh-cut herbs) at farmers' markets, roadside stands, and community supported agriculture programs.

### **Increases Access to Tribal, Kosher and Halal Foods**

The bill increases access to local, tribal, Kosher and Halal foods in food assistance programs including The Emergency Food Assistance Program, Food Distribution on an Indian Reservation and the National School Lunch Program.

### **Pulse Products Pilot**

The bill establishes a pulse products program that encourages sampling of a variety of pulse product foods for use in school meal programs. Requires an evaluation to determine whether pulse consumption increased and which products were most acceptable to schoolchildren.

### **Healthy Food Financing Initiative**

In both urban and rural low-income communities, many people lack reasonable access to nutritious and affordable food.

### **Technology Modernization**

The bill directs the Food and Nutrition Services to conduct demonstration projects to test new technologies like smart phones and online payments for retailers to improve access through the Supplemental Nutrition Assistance Program.

### **Promotes Better Health for School Children**

The bill maintains current funding levels for the Fresh Fruit and Vegetables Program, which provides free fresh fruits and vegetables to elementary school children throughout the school day in school districts with a high proportion of low-income students. The bill also directs USDA to conduct pilots in a limited number of schools to evaluate the outcomes associated with providing canned, frozen and dried fruits and vegetables as snacks.

### **Community Food Projects**

The bill provides for grants to eligible nonprofit organizations to improve community access to food through the development of innovative projects such as school garden programs and urban greenhouse initiatives. The bill also nearly doubles mandatory funding for these activities.

### **Food Insecurity Nutrition Incentive Grants**

The bill provides grants to incentivize the purchase of fruits and vegetables by SNAP participants. Eligible entities conducting programs like “Double Up Food Bucks” will be able to access federal matching funds to expand efforts into additional communities.

### **Promotes Food and Agriculture Through Service and Learning**

The bill establishes a service program in which members work in K-12 schools to engage children in experiential learning about agriculture, gardening, nutrition, cooking and where food comes from, as well as to facilitate a connection between schools and area agricultural producers.

### **Increases Coordination at USDA to Improve Healthy Purchases**

The bill establishes an interagency taskforce for the purpose of providing coordination and direction for commodity programs that supply food to key nutrition programs like the Emergency Food Assistance Program and National School Lunch Program.

## **Title V: Credit**

Access to credit is vital to successful farms and ranches. This access is particularly important for farmers just starting their operations. The average American farmer is over 60 years old, and without new farmers willing and able to get into farming, the long-term economic success of American agriculture is at risk. This Farm Bill will increase access to credit, ensure that the USDA Farm Loan Programs reflect modern agriculture, and continue the work of the 2008 Farm Bill to assist beginning farmers and family farms.

### **Support for Beginning Farmers**

The credit title maintains higher loan funds reserved for direct farm ownership loans and also maintains the strengthened down payment loan program. It continues to reserve a portion of the guaranteed farm ownership loan funds and direct operating loan funds for beginning farmers and ranchers. The Beginning Farmer and Rancher Individual Development Accounts Pilot Program authorizes matching-funds for savings accounts specifically to be used for farming-related expenses for beginning farmers and ranchers.

### **Helps Next Generation of Farmers and Ranchers Buy Land**

The bill reauthorizes the Contract Land Sales Program, which guarantees loans to retiring farmers who sell their land to beginning or socially disadvantaged farmers. It also continues the Down Payment Loan Program, which allows young farmers without much money to make starting investments/down payments a farm or ranch. The borrower makes a cash down payment of at least 5% of the total cost, the government provides a low interest loan for 45% of the payment, and the rest of the loan must be covered by a private lender.

### **Increases Access to Capital**

The bill makes significant strides in increasing access to capital by expanding eligibility, removing term limits on guaranteed lending and strengthening microloan programs that serve beginning farmers.

### **Pilot Program Authority**

For the first time, the USDA will have the ability to create innovative pilot programs in the Farm Loan Programs exclusively targeted to regions, agriculture sectors, and populations like beginning farmers.

### **Expands Reach of Agriculture**

This bill recognizes that interest in farming goes beyond the traditional definition of rural America and expands eligibility for youth loans to urban areas, encouraging a new generation of farmers. The bill directs USDA to do outreach to local/regional food producers and train its loan officers to better understand the need and business models of local/regional food producers and help producers and lenders more accurately value local/regional foods.

### **Microloans**

The bill authorizes the Secretary to make small-dollar operating loans to eligible borrowers, permits the USDA to work with intermediary lenders to make these loans, and exempts these loans from term limits.

### **Helps Farmers Get Started with Conservation**

The Conservation Loan and Loan Guarantee Program provides loans to borrowers to build conservation structures or establish conservation practices.

### **State-Mediation Program**

This program recognizes the importance of state mediation programs in resolving agriculture and USDA-related disputes. This program has been incorporated in the Farm Bill by extending the 2010 reauthorization of the USDA's State Agricultural Mediation Program until 2018.

## **Title VI: Rural Development**

Rural communities reflect the indomitable spirit of America and have always been a symbol of our national values. Today, rural communities face serious economic threats and an erosion of a way of life that stretches back many generations. The Agricultural Act of 2014 helps rebuild those communities and invest in the future, especially broadband and business development, to help rural communities thrive in the 21st century economy.

### ***Rural Business Development Programs***

### **Continues Support for Rural Business Development**

The Rural Business Development Grants program will award competitive grants to public agencies and non-profit community development organizations for business development, planning, technical assistance, or job training in rural areas.

### **Supports Rural Cooperative Development**

The Rural Cooperative Development Grants program provides competitive grants to non-profit organizations that work to establish rural business cooperatives.

### **Encourages Rural Entrepreneurship**

The bill provides \$15 million for the Rural Microentrepreneur Assistance Program. This program awards grants to microenterprise development organizations to provide training, business planning assistance, market development assistance, and other services to rural businesses. This program also awards funding for the establishment of microloan programs designed to support entrepreneurs in rural areas.

### **Supports Rural Food Processing**

The Value-Added Agricultural Market Development Program is designed to encourage independent producers of agricultural commodities to process their raw products into marketable goods, thereby increasing farm income. Grants may be used for planning activities, for working capital for marketing value-added agricultural products, and for farm-based renewable energy. The bill provides \$63 million for the program and reserves a portion of the funding for projects benefiting beginning farmers and ranchers.

### **Continues Business Loan Support**

The Business and Industry Direct and Guaranteed Loan Program supports business, industry, and employment in rural communities by bolstering the existing private credit structure. The bill reserves funds made available through the program for projects that include the processing, distribution, storage, and marketing of locally produced agricultural food products.

### ***Infrastructure Improvement Programs***

#### **Access to Broadband Services in Rural Areas**

Through USDA's Broadband Program, the Department provides funds for the construction, improvement, and acquisition of facilities and equipment needed to provide broadband service in rural communities. The program will target funds to rural communities that currently do not have broadband service.

#### **Distance Learning and Telemedicine**



This program provides competitive grant and loan funding that supports equipment and infrastructure improvements that enhance telecommunications capabilities at educational and medical facilities.

### **Water, Waste Disposal and Wastewater Facility Grants and Loans**

This program provides grants, loans and loan guarantees to public agencies for projects that support the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The bill provides \$150 million to improve rural water infrastructure.

### **Rural Water and Wastewater Circuit Rider Program**

This program provides competitive grants to non-profit organizations that give technical assistance to rural public water systems. This technical assistance helps the water systems to comply with state and federal environmental regulations. The program is authorized to receive \$20 million annually.

### **Rural Energy Savings Program**

The bill authorizes a new loan program, administered by the Department of Agriculture, which will issue zero-interest loans to any electric cooperative or coordinated group of electric cooperatives for the purpose of lending the funds to their customers to make energy saving retrofit and structural improvements.

### ***Community Development Programs***

#### **Strategic Economic and Community Development**

The bill authorizes the Secretary to give priority to applications submitted for funds through Rural Development programs that support regional approaches to community and economic development. These applications should reflect the participation of multiple stakeholders in the service area of the proposal. The applications should also have clear objectives and an explanation of performance measures that will be used to determine progress in meeting those objectives.

#### **Technical Assistance for Community Facilities Projects**

The bill authorizes the Secretary to make up to 5 percent of funds provided through the Community Facilities Loan and Grant Program available to applicants for technical assistance. Many rural communities do not have full-time staff to assist in the preparation of funding applications. This provision will help smaller communities in the development of their applications to the Community Facilities program, which supports projects related to economic development, public safety, and health care delivery.

#### **Appropriate Technology Transfer for Rural Areas**

This program awards competitive grant funding to national non-profit organizations that provide agricultural producers information pertaining to the reduction of input costs, conservation of energy resources, and expansion of markets through the use of sustainable farming practices.

## **Title VII: Research**

Decades of research have allowed American producers to consistently outperform producers in other countries by being more efficient, more innovative, and more productive with limited resources. The Agricultural Act of 2014 continues that leadership by continuing critical research initiatives and creates a new nonprofit research foundation to bring public and private dollars together to support cutting-edge research.

### **Foundation for Food and Agriculture Research**

The bill creates a new non-profit foundation, the Foundation for Food and Agriculture Research, to leverage private funding, matched with federal dollars, to support agricultural research. This innovative approach will foster continued innovation in agricultural research. The bill provides \$200 million for the new foundation.

### **Continues Critical Agricultural Research**

The Agriculture and Food Research Initiative (AFRI) program provides competitive grants for basic and applied research. The bill reauthorizes this critical program.

### **University Research**

The bill reauthorizes agricultural research activities at 1862, 1890 and 1994 land-grant institutions.

### **Extension Service**

The bill reauthorizes funds for extension service activities.

### **National Agricultural Research, Extension, Education and Economics (NAREEE) Advisory Board**

The bill reauthorizes the NAREEE advisory board, which provides consultation to USDA, industry and Congress on agricultural research priorities. The NAREEE advisory board is directed to consult with industry groups on agricultural research, extension, education, and economics, and to make recommendations to the Secretary based on that consultation.

### **Policy Research Centers**

This program provides for competitive grants and cooperative agreements with policy research centers to conduct research and education programs concerning the effect of policies on the farm and agricultural sectors; the environment; drought mitigation; rural families and economies; and consumers, food and nutrition.

### **Capacity Building Grants for Non-Land Grant Colleges of Agriculture (NLGCA)**

This program provides competitive grants to assist NLGCA institutions in maintaining and expanding the capacity to conduct education, research, and outreach activities related to agriculture, renewable resources, and other similar disciplines.

### **Beginning Farmer and Rancher Development Program**

The bill continues the Beginning Farmer program, which develops and offers education, training, outreach and mentoring programs to ensure the success of the next generation of farmers. The bill expands eligibility to include military veterans who wish to begin a career in agriculture. The bill provides \$100 million in mandatory funding for this program.

### **Addresses Critical Shortages of Veterinarians**

The bill would help address the shortage of veterinarians in rural agricultural areas by supporting veterinary education and rural recruitment.

### **Increased Transparency for Budget Submissions**

In order to increase transparency and reduce duplication across agencies, the bill requires the Department of Agriculture to provide more detailed information regarding expected research expenditures when submitting its annual budget request to Congress.

Research in areas examining market concentration, market viability, and levels of existing competition, must be enhanced. Protection for large numbers of diverse producers against the market power of a few, concentrated food processors, is necessary on an on-going basis to assure that markets for farm products are vibrant, competitive, and fair. Producers of all sizes must have equal access to those markets without preferences based upon size.

## **Title VIII: Forestry**

The health of America's forests is critical to the future of our economy, our environment, and our way of life. Forests provide clean drinking water, critical wildlife habitats, and recreational opportunities for our families. While the conservation title gives many tools to foresters to manage their land, additional efforts to preserve and improve our nation's forests are included here.

### **Improves the Health of America's Forests**

The bill reauthorizes the Healthy Forest Reserve Program (HFRP), a voluntary program that enhances forest ecosystems to promote the recovery of threatened and endangered species, improve biodiversity, and enhance carbon sequestration.

### **Supports Private Lands Forestry**

The bill supports programs, like the Forest Legacy Program and Forest Stewardship Program, which ensure that private non-industrial forest owners have the tools and support they need to properly manage their land.

### **International Forestry**

The trade of illegal forests products is threatening our domestic markets, where honest dealers are trying to sell their wood products. This program encourages the trade of legally harvested timber. It also supports domestic production by working to prevent invasive species from entering the country.

### **Addresses Insect and Disease Infestations**

Many of our national forest acres are threatened by insect infestation and disease. To address these risks to forest health, the Bill requires the Secretary of Agriculture to designate treatment areas for forestlands that have been especially hard-hit. The Bill also allows the Secretary, where appropriate, to treat acres to improve stand health and resilience.

### **Stewardship Contracting**

The Farm Bill creates permanent authority for Stewardship End-Result Contracting which is a successful tool that supports forest restoration work in areas without strong wood markets while providing value for local communities.

### **Good Neighbor Authority**

The Farm Bill reauthorizes Good Neighbor Authority and makes it available, for the first time, Nationwide. This allows the Forest Service to delegate to State Foresters the implementation of certain forestry projects. This will allow States to partner with the Forest Service to improve watershed conditions, increase timber management, and protect communities from wildfire on our federal forests.

## **Title IX: Energy**

With new opportunities in bio-based manufacturing, advanced biofuels, and renewable energy, the Agricultural Act of 2014 continues programs that are helping to create jobs while simultaneously reducing our nation's dependence on foreign oil.<sup>7</sup>

### **Rural Energy for America Program**

The popular Rural Energy for America (REAP) program has helped nearly 4,000 farmers, ranchers and rural business owners lower their energy bills by installing renewable and energy efficient systems. The bill will provide a streamlined application process for farmers and rural businesses applying for small and medium sized projects. The bill authorizes \$500 million in mandatory funding for REAP.

### **Promotes Advanced Bioenergy Production**

The Biomass Crop Assistance Program (BCAP) provides support for farmers and ranchers who wish to plant energy crops to produce and use biomass crops for conversion to advanced biofuels or bioenergy. Agricultural producers in BCAP project areas may contract with the Department of Agriculture to receive biomass crop establishment payments up to 50 percent of costs, plus annual payments in amounts determined by the Secretary in subsequent years to help to compensate for lost opportunity costs until crops are established. The program will receive \$125 million in mandatory funding.

### **Supports the Growing Bio-Based Economy**

The bill will reauthorize and modify USDA's BioPreferred Program and the Federal Government Procurement Preference Program. Many of the modifications are adopted from the "Make it Here, Grow it Here" initiative which includes reporting of biobased purchases by the federal agencies and auditing and enforcement of the biobased label. The program will receive \$15 million in mandatory funding.

### **Biorefinery Assistance Program**

This program provides loan guarantees for renewable energy projects. Eligibility for the program has been expanded to include biobased manufacturing and renewable chemicals, which uses agricultural products to make value-added products. The program will receive \$200 million in mandatory funding under the bill.

### **Bioenergy Program for Advanced Biofuels**

This program provides production payments for advanced bioenergy sources such as methane digesters, advanced biofuels and biopower. The program will receive \$75 million in mandatory funding under the bill.

### **Biomass Research and Development Initiative (BRDI)**

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<sup>7</sup> USDA energy research is accumulated at <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/ers-policy-related-research.aspx#.U1PlrVdOD3U>

The bill will reauthorize funding for research on biomass feedstock development for bioenergy and biobased products. The bill provides \$12 million in mandatory funding for BRDI.

### **Community Wood Energy Program**

This program provides competitive, cost-share grants for communities to supply public buildings with energy from sustainably-harvested wood from the local area.

## **Title X: Specialty Crops & Horticulture**

The Agricultural Act of 2014 recognizes the diversity of American agriculture and the importance of specialty crops and organics, including fruits, vegetables, nuts, horticulture, and nursery crops. Sales of specialty crops total nearly \$65 billion per year, making them a critical part of the U.S. economy and an important job creator.<sup>8</sup>

### **Supports Farmers Markets and Local Foods**

The Farmers Market and Local Food Promotion Program continues successful efforts from the Farmers Market Promotion Program by providing competitive grants to improve and expand farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities. The program authority is expanded to also provide assistance in developing local food system infrastructure and central regional food development centers like food hubs and terminal markets that help producers with training, aggregating, distributing and other market activities. This funding more than quadruples funding levels for these initiatives.

### **Local Food Data and Evaluation**

The bill expands collection of data related to local and regional food systems and directs the Department of Agriculture to evaluate the success of and recommend improvements to current programs designed to strengthen access to local foods.

### **Continues Specialty Crop Research**

Provides \$800 million in mandatory funding over 10 years for the Specialty Crop Research Initiative, ensuring funding will be available for key research projects for fruits, vegetables and other specialty crops. This funding also ensures funding will be available for this program in the next farm bill. The bill also includes mandatory funding to conduct emergency citrus research to stop the spread of citrus greening.

### **Specialty Crop Block Grants**

The bill adjusts the grant allocation formula from solely the value of specialty crop production in a state to the average of both the value of specialty crop production and acres of specialty crops

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<sup>8</sup> USDA specialty crop data is found at <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/ers-policy-related-research.aspx#.U1PlrVdOD3U>

planted in a state. This change ensures that states receive credit for both high value crops as well as the number of acres devoted to specialty crop production in a state. The bill also allows funding for multistate projects related to pest and disease, food safety, and commodity-specific projects.

### **Continues Data Collection on Organics**

The bill improves coordination between the Agriculture Marketing Service and the Risk Management Agency to ensure risk management tools are sufficient.

### **National Organic Program**

The National Organic Program is reauthorized. One time mandatory funding is provided for technology upgrades to improve program performance. Additionally, the bill gives NOP increased enforcement over the organic seal.

### **Organic Research Initiative**

Funds the Organic Research & Extension Initiative at \$100 million over 5 years.

### **Organic Certification Cost Share**

The bill provides mandatory funding to help organic producers and handlers to transition to organic practices by partially offsetting the cost of organic certification.

### **Fights Pests and Diseases**

The bill consolidates the National Clean Plant Network and the Pest and Disease Management and Disaster Prevention Program. These programs focus on early detection and surveillance of invasive pests, interventions to prevent crop damage and supplies clean pathogen free plant material for producers.

## **Title XI: Crop Insurance**

Responding to the concerns of farmers across America, the Agricultural Act of 2014 strengthens and improves coverage for all commodities and underserved crops like fruit and vegetables without making budget cuts to the crop insurance title.<sup>9</sup>

### **Creates the Supplemental Coverage Option**

The Supplemental Coverage Option allows producers to purchase additional coverage on a county basis . This insurance program establishes coverage levels beginning when losses exceed 14 percent and has a premium subsidy of 65 percent.

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<sup>9</sup> Extensive research about risk protection is indexed and collected at <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications/ers-policy-related-research.aspx#.U1PlrVdOD3U>

### **Expands Crop Insurance for Fruit and Vegetable Producers**

Crop insurance coverage is expanded for underserved crops and regions, including fruit and vegetable producers. The bill provides additional assistance for underserved producers to partner with private developers of crop insurance to create improved insurance products. The bill also allows the Risk Management Agency (RMA) to conduct research and development on new or improved crop insurance products. It also creates a new partnership to expand access of index-based weather insurance products for fruit and vegetable growers who don't have sufficient price or yield data for traditional insurance.

### **Provides Revenue Crop Insurance for Cotton and Peanut Producers**

The bill creates a stand-alone revenue protection coverage program for cotton growers. It also creates a separate peanut revenue insurance with an effective price for peanut growers.

### **Improves Crop Insurance for Beginning Farmers and Ranchers**

Beginning farmers and ranchers are given a 10 percentage point discount for all crop insurance premiums. The bill also provides beginning farmers and ranchers with an improved production history when they have previous farming experience or when they face natural disasters.

## **Title XII: Miscellaneous**

The Agricultural Act of 2014 covers a broad range of areas. A number of programs, including those that assist socially disadvantaged farmers, those that assist livestock producers, and those that focus on workforce development, do not fit into other titles and are included here.

### **Outreach for Socially Disadvantaged Farmers**

The bill continues grants to organizations that work with minority farmers to help them acquire, own, operate, and retain farms and ranches and equally participate in all USDA programs. We provided \$50 million in mandatory funding for this program.

### **Continues Advocacy and Outreach Efforts**

The bill reauthorizes the Office of Advocacy and Outreach, which was created by the 2008 Farm Bill to increase the viability and profitability of small farms and ranches, beginning farmers or ranchers, and socially disadvantaged farmers or ranchers.

### **Grants to Improve Agricultural Labor Supply, Stability, Safety, and Training**

The bill reauthorizes the Agricultural Career and Employment Grants Program. Funds may be used to assist agricultural employers and farmworkers to develop skills, the provision of agricultural labor market information, transportation and short-term housing.



### **Military Veterans Agricultural Liaison**

The bill creates a military veterans agricultural liaison to help military veterans navigate and utilize USDA programs to become involved in agriculture.

### **Office of Tribal Relations**

The bill directs USDA to maintain an Office of Tribal Relations within the Office of the Secretary.

### **Ensures Health of American Livestock**

The bill authorizes the National Animal Health Laboratory Network (NAHLN). In addition, it reauthorizes the Trichinae Certification Program and the National Aquatic Health Plan.

### **Sheep Production and Marketing Grant Program**

The bill establishes a competitive grant program to enhance production and marketing of Sheep.

### **Pilot Program to Eradicate Feral Swine**

Over half the states have problems with feral swine, which can transmit dangerous diseases to humans and livestock. The bill creates a pilot project that directs the Natural Resources Conservation Service and the Animal and Plant Health Inspection Service to work together on eradication methods that can be used throughout the country.

### **Direct Payments Reconfigured Into A Crop Insurance Program**

The new Farm Bill repeals the old system of direct payments to producers regardless of how much land they actually plant or the price for which they sell their crops. This policy change saves taxpayers over \$19 billion over the next 10 years. The bill also repeals the 70 year-old system of setting minimum prices for milk, cheese and butter.

It replaces direct payments with subsidized crop insurance programs where farmers buy into an insurance policy that covers lost revenue due to drops in prices or increases in feed costs. It also provides a new, permanent, disaster assistance program for producers affected by natural disasters such as drought, freezes, and pest infestations. Overall, this \$90 billion program is expected to cost \$7 billion more than the current direct payment system, for a net savings of \$12 billion for this part of the Farm Bill.

Because of the severe drought situation in California, this disaster assistance program is expected to provide some level of relief for dairy farmers forced to reduce their herds in the future because of lack of water. Until federal agriculture officials define the parameters of the new program, it is unknown what level of assistance can be expected.

## **Nutrition Programs (Food Stamps)**

By far, the largest amount of expenditures contained in the Farm Bill is for the Supplemental Nutrition Assistance Program (SNAP), commonly known as Food Stamps. \$756 billion of the \$956 billion total over the 10 year period is expected to be spent on this program.

The final bill cuts a total of about \$8 billion. The new law makes an adjustment to the “LIHEAP loophole.” The Farm Bill contains a requirement that state officials must spend at least \$20 per recipient on home heating assistance in order to qualify for food stamps. The previous requirement for only one dollar (\$1) per recipient was being widely used by states to qualify more people for food stamp assistance. The theory for this reform is by making the “loophole” more expensive, fewer states will utilize it.

The new Farm Bill increases funding for anti-fraud programs. It expands anti-trafficking efforts, with an emphasis on the use of data mining and other information technologies to identify possible trafficking. It would provide one-time funding of \$15 million in fiscal year 2014 and authorize an additional \$5 million to be appropriated for fiscal years 2014 through 2018. The bill authorizes pilot projects to expand collaborative state and federal efforts to prevent and detect retailer fraud. States are given the authority to monitor and prosecute trafficking and fraud by SNAP recipients. The bill also allows data exchanges among programs.

## **Organic Agriculture And Farmers Markets**

The Farm Bill increases the National Organic Certification Cost-Share Program to offset the costs of annual certification for organic farmers and handlers. It also allows Farmers Markets to participate more in the SNAP program by providing exemptions from requirements to obtain equipment for use of SNAP EBT cards, and triples funding to \$30 million per year for the Farmers Market and Local Food Promotion Program. It expands the program to allow grants to both direct-to-consumer projects and projects supporting local and regional food enterprises through processing, aggregation, distribution, storage, and marketing.

Community Supported Agriculture (CSA’s) (providing locally grown food) are, for the first time, permitted to participate in the SNAP program. And, for the first time, organic farmers, distributors and marketers can use the same agriculture research and promotion programs as are available to conventional farmers.

## **Miscellaneous Provisions**

The bill includes \$600 million in mandatory research dollars to support specialty crops, organic agriculture, and beginning farmers. These programs have all been stranded without funding since 2012.<sup>10</sup>

### **What Policies Are Essential and Must be Expanded? Which are Not? What Changes Are In Order?**

Principles unite people. Issues divide us. This is nearly universally true, and is certainly the case when it comes to food, food production, food processing, and nutrition programs for needy nation. Food, clothing, and shelter are basic to the American dream, and to the realization of the Declaration of Independence's core objectives. The principles that forged our Country must inform and guide our decisions on otherwise divisive, partisan issues.

These principles should inform and direct policy development in areas affecting agriculture, food, and related subjects. Since the Farm Bill was just passed and will be effective until 2018, these general comments provide guidance and an understanding about matters of importance to Nebraska farmers, Nebraska agriculture, and the state's economy, as a whole, because of the influence agriculture has over Nebraska's well-being. These comments are also provided to inform the reader about my philosophical approach to the broad areas encompassed in the *Agricultural Act of 2014*.

### **USDA—The Agency**

The USDA should be retained as a cabinet position. Duplications should be reduced. The Department should continue to administer both (a) policies affecting production agriculture, and rural areas, and (b) programs affecting food, nutrition, and food safety for consumers. USDA is a huge agency. This is necessary because of the massive scope of its mission.

### **Title I: Commodities**

Direct Payments, Counter-Cyclical Payments, and Average Crop Revenue Election Programs, and the Supplemental Revenue Assistance Payments Program were appropriately repealed by the 2014 Farm Bill. Farm subsidiary programs should be capped, as they are now, at no more than a specified sum. The present sum is \$125,000. This is a generous amount.

To assure that farm subsidiaries and federal assistance to not pass to the hands of those without needs, new rules should be adopted to control the definition of a farmer, and to compel consolidation of all entities related to a single individual, or a trust owned or controlled by him or her, or a company owned or controlled by him or her. Consolidation would assure that business

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<sup>10</sup> <http://cssrc.us/content/briefing-report-summary-federal-agricultural-act-2014>

entities are not used to circumvent the payment limitation requirements of the law. The element of control would be definitional, and for clarity, “control” need not necessarily mean 50%. If actual control is present and can be proven, then all entities controlled by a single person, or couple, with ownership, should invoke the maximum allowable federal farm subsidiary to any farmer or couple regardless of their entity structures.

### **Risk Management**

The *2014 Agricultural Act* assumes that farmers will have access to risk management contract information to complement crop insurance and protect against both price and yield losses. Under these programs, a farmer can buy insurance to protect against a declining market, for example. Though the matter of working out the actuarial basis and the length of time over which an actuarial study must be conducted to affect premiums and rates for such risk management concerns, the availability of the tools under the 2014 Act makes them both valued and important.

### **Dairy Programs Should be Strengthened**

The Dairy Margin Insurance Program protects producer margins by comparing the total cost of milk with the national feed cost. Relative stability in the market for fluid milk must be achieved to protect dairy farmers.

The same thing is true for livestock disaster programs. Producers of livestock need a Federal Farm Program to protect them from catastrophic, generally weather-related losses.

### **Title II: Conservation**

The 2014 Farm Bill extends the Environmental Quality Incentives Program (“EQIP”), the Conservation Stewardship Program, and Conservation Integration Grants.

All three of these funding mechanisms are dramatically impacted by budget considerations.

The Conservation Reserve Program (“CRP”) was designed, when created in the mid-twentieth century, to conserve soil, water, and wildlife resources by placing highly erodible and environmental sensitive land in less than full production activities.

Conserving America’s land, water, and air are all indispensable and highest priorities for agriculture. They largely drive agricultural policy—or at least they should.

Green innovation, habitat programs, conservation reserve programs, and related subjects are well focused. Producers must know that failure to abide by rules designed to protect top soils and land will be strictly enforced.

### **Title III: Trade**

The Farm Bill contains an Export Credit Guarantee Program to provide export credit guarantees to help assure availability of credit to finance exports of the United States. National and international aspects of the Farm Bill's support for effective trade have drawn no criticism. No expansions of these programs have been suggested to date in any intensive or specific way.

### **Title IV: Nutrition**

The 2014 Farm Bill strengthens the integrity and accountability of federal nutrition programs while preserving access to critical food assistance for families and expands programs to provide healthy foodstuffs to low-income children and seniors.

Trafficking in federal benefits fraud through unlawful transfers should be unlawful as a crime against the people of the United States. Such wrongful conduct will be prosecuted.

### **Title V: Credit**

Support for beginning farmers and assistance to transfer land between generations are laudable objectives of this segment of the Farm Bill. Beginning farmers must be helped to enter a capital-intensive industry. This is what agricultural is. In addition, programs designed to facilitate contract sales of land should be expanded.

The traditional definition of rural America has expanded. USDA outreach to local/regional food producers. Access to credit at reasonable prices and on reasonable terms is central to agriculture. Indeed, it is the only to that can be used to allow certain businesses engaged in the production of food to be viable.

The 2014 Farm Bill makes good progress toward providing access to capital, and it expands the reach of agriculture as an investment topic. Often bankers require education in this area.

### **Title VI: Rural Development**

The Farm Bill reflects the policy of the United States to protect farms and farmers. Efforts within the bill are to:

- Continue support for rural basin development.
- Provide rural cooperative development grants, an effective program in the past.

The Bill encourages rural entrepreneurship, supports rural food process and continues business loan supports. Rural development is an extraordinarily complex subject. It requires constant vigilance, and tremendous effort, sometimes for only nominal measurable progress. Rural development often means, at a first level, caring for persons of advanced age who have remained in rural communities, even as employment possibilities dwindled. USDA rural housing and

community programs provide support. These programs are essential to the lives of many people in rural Nebraska. They should be kept in force.<sup>11</sup>

Many have recognized that communication tools are essential to permitting persons to choose rural America as home, while remaining connected for sophisticated work purposes. USDA Rural Development Broadband Initiatives implement the policy announced by President to achieve interconnectedness. Broadband is transformational technology. Increased funding for this purpose, along with specific development plans and tools to assure its maximal efficiency and use, are in order.

Nearly 60 million Americans live in rural areas. They have special needs to finance housing in locations where Community Banks may be hampered by residential housing restrictions imposed after the banking debacle of 2008. Economic development and business support is difficult because of the limitations on access to or availability of broadband, electrical service, at sufficient levels and in sufficient quantities, and other utility service costs, which may be a is expensive to build in the city as in a rural area, but are supported by far less tax base out in the country.<sup>12</sup> Retrofitting and expanding or rebuilding infrastructure is, itself, demanding work that requires constant support and input that is essential to Americans comprising nearly 20% of the Nation's population.

### **Title VII: Research**

The USDA has been victimized, along with others, by decisions made to preserve and expand opportunities for production in processing of food through research. Funding mechanisms within the 2012 Act are not adequate to accomplish the broad, complex aspects of the Farm Bill and its research needs. Intelligent beginnings are made.

Land Grant University research is imperiled and must be protected. Land Grant universities were intended to be the "People's Universities," with a three part mission of teaching, research and service for common people, ordinary people, the working class, the middle class in American society.

Land Grant universities and public education in general are the centerpiece of democratization of America and progress for common people. But the convocation that begins Tuesday morning, its news releases and elite attendance list are, in my opinion, signs of a broader socioeconomic disease that is moving us from a representative democracy to what is sometimes described as plutocracy, oligarchy, or corporatocracy -- and, sometimes, with more pejorative phrases.

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<sup>11</sup> <http://www.rurdev.usda.gov/rd/pubs/pa1662.htm>

<sup>12</sup> <http://www.usda.gov/wps/portal/usda/usdahome?navid=rural-development>

The LGUs are being pulled along and increasingly influenced by a force that threatens the very soul of American democracy and the American Dream for common people. The force is favoring the few over the many, in the LGU system and in American society generally.

A convergence of problems with peak oil, global warming, environmental degradation, carbon sequestration, bio-terrorism, so-called free trade, vertical integration, consolidation, too big to fail, low farm income, declining rural areas, an unsustainable trade deficit, unsustainable American debt, growing corporate control over government, a system quickly moving from one person one vote to a system of one dollar one vote, and many other social and economic issues has led one writer to say that the emerging era may become known as “the long emergency.”

Research must be objective, experimental, and accurate. Data must be gathered from a experiments run based upon appropriate hypotheses, and rational experimentation. Predetermined outcomes, or preferred solutions, prevent effective research and real

Market research is also absolutely needed. It must be objective. The research must evaluate the diminution in competitors in various ag markets, and to determine where the departed competitors have gone. Research into the effects of monopoly and monopsony practices is needed. Where undue market concentration is present, a cash market has been tripled to virtual nonexistence, or other indicia of abusive misuse of market power are present, competition must be restored. USDA, with US DOJ, must enforce the law to achieve market viability.

Further consolidation is a potential sign of progress in this area. Efforts must be made to consolidate programs to make them more effective.

### **Title VIII: Forestry**

Nebraska’s two National Forests are essential state resources. The 2014 Farm Bill’s confirmation of efforts to secure alternative energy sources is laudible. So too have been USDA’s response to agricultural insects and disease fitness.

Forest policy is the relationship between people and the natural world. It’s a delicate balancing act. Forest policy consists of the laws and regulations that guide the protection and management of our nation’s forests. Forest policies help maintain healthy forest ecosystems, which are essential for working towards a sustainable future and improving our quality of life.

The basic forest policy of the United States must be to preserve the forest natural resource, harvest from it only on a scheduled, programmatic basis intended, and protect this invaluable natural resource. The role of forests in clean-air, clean water, and protecting land, are all deserving of federal attention, effort and focus to assure an adequate annual harvest, but not at the expense of the forests.

## **Title IX: Energy**

An end to reliance on fossil fuels and a move to renewable energy sources is indispensable. This would advance rural America and cities within big America.

Federal programs must be expanded to encourage, at a more urgent pace, development of electricity through:

- Advanced bioenergies
- Natural resources such as wind and air must all be exploited.

Tax incentives to private companies—which favor and incentivize them to become involved in alternate wind energy processes more rapidly than public organizations—requires consideration.

The Farm Bill's REAP program is applicable to rural businesses as well as farmers. It is funded by the federal government and it encourages people to expand or improve in an intelligent way.

Diminishing dependence on fossil fuels, and exclusion of fossil fuel imports, must remain highest priority objectives. As noted above, this means energy from wind, solar, and wires must be protected.

## **Title X: Specialty Crops & Horticulture**

The future of American agriculture may be largely defined by hydroponics and local production of food for many consumers. Traditional farms and farmers will not be eliminated. They are essential.

But, urban farming, specialty crop farming, and small farm sizes, producing new and exciting alternate crops for direct sales to consumers are to be protected and encouraged. The Farm Bill of 2014 does so, but even greater emphasis in this area is necessary. Specialty crop support is an essential part of this process.

Existing federal marketing orders, which date back to the 1940s, must be reviewed and where appropriate, eliminated. A primary objective must be to engender stronger and more vibrant cash markets, a great number of competitors in food processing in all sectors, and a supportive food safety system that assures the largest and most mechanized food process plants are safe.

Scientific research must focus on when and how food may be genetically modified without endangering consumers of GMO-processed foods.

Organic farming must be encouraged and fostered as healthy and of beneficial. At the same time, it must be recognized that the role of organic food in the business of supplying the entire nation is likely to be, and remain, important, but limited. Access to grocery store space and outlets are important. Just as farm-to-market programs have assisted individual producers in small-scale



settings, similar programs must provide outlets for products of small operators, farming and sustainable settings, to encourage that the best we have to offer is not diminished or lost.

### **Title XI: Crop Insurance**

Crop insurance programs for basic crops, like corn, wheat, and soybeans have proven to be highly effective. Producers appear to be ready, willing, and able to pay substantial premiums for weather and price-related risks.

Crop insurance has expanded to some specialty crops. This must continue until all crops are suitably insured.

Crop insurance claims must be reviewed and analyzed on a reasonable, prudent basis; this must occur periodically. Procedurally, this methodology, and the venue in which it occurs, should be streamlined to conform with case-processing criteria for Article III Constitutional Tribunals.

USDA's Risk Management Agency has developed a uniform insurance policy. Changes in these areas are suggested:

- Crop insurance programs must be simplified so that farmers can make the best possible coverage decisions.
- Higher premium subsidies should be provided for those who insure their crops under a "whole farm" approach
- Better quality loss adjustment procedures to improve the relationship between the crop insurance adjustment and the actual discount received in the market are needed.
- Crop insurance subsidies should be capped to avoid encouraging larger farms.

### **Title XII: Miscellaneous**

Outreach for disadvantaged farmers, grants to improve agricultural labor supply, and accommodations for veterans returning to agriculture must all be retained. So must the USDA relationship to the Indian tribes, as tribes own substantial quantities of farmland.

#### **Nutrition Programs**

By far the largest expenditures in the Food Bill are for Supplemental Nutrition Assistance Programs ("SNAP"). These are commonly referred to as food stamps.

The vast majority of people who use food stamps work. They are underpaid. The Federal Minimum Wage must be raised. Labor must be paid its fair compensation for services.

Food stamp recipients should diminish in size as wages and opportunities increase. Few persons aspire to food stamps.

The Bill increases funding for antifraud programs. It expands anti-trafficking efforts and seeks to assure that SNAP recipients are truly qualified.

Integration with the Department of Labor would be helpful and should reduce duplicity. This deserves study.

A Federal Jobs Program that assures creation of quality jobs that supply a living wage are acutely necessary. No one can be more certain of this than one who has dwelled among public assistance recipients and understands their desire to shed themselves of that mark of insufficiency.

### **Conclusion**

The Farm Bill made many appropriate strides when enacted in 2014. Certain aspects of its service programs were cut. These cuts hurt producers and simultaneously often hurt consumers. These areas require ongoing attention.