2018 Farm Bill Update

July 23, 2018

Dr. Scott Brown
Agricultural Markets and Policy
Division of Applied Social Sciences
browns@mizzou.edu

http://amap.missouri.edu

College of Agriculture,
Food and Natural Resources
2018 Farm Bill Timing

- House Agriculture Committee – April 18, 2018
- House Floor
  - Failed – May 18, 2018
  - Passed – June 21, 2018 (213 – 211)
- Senate Ag Committee – June 13, 2018
- Senate Floor – June 28, 2018 (86 – 11)
- House appoints conferees – July 18, 2018
- Conferenced agreement before October 1, 2018 - ???
Congressional Budget Office (CBO)
Current Law, Farm Bill Spending

(10-year projected outlays, FY2019-FY2028, billions of dollars)

- Nutrition: 664
- Crop Insurance: 78
- Commodities: 61
- Conservation: 60
- Trade: 3.6
- Misc.: 2.4
- Hort.: 1.5
- Energy: 0.6
- Research: 0.6
- RuralDev: 0.2
- Forestry: 0.01

$867.2 Billion

30,000 Foot View of Senate and House Farm Bill Versions

- Reauthorizes many of the title 1 programs contained in the 2014 farm bill with some adjustments in each bill
- Most visible difference in SNAP
- House makes more revisions to the conservation title
- Crop insurance remains critical in both bills
Producers in severe drought areas over the 2008-2012 period would be allowed to update yields for PLC benefits.

Effective Reference Price means the lesser of the following: (A) 115% of the reference price for such covered commodity; or (B) the greater of: (i) the reference price for such covered commodity; or (ii) 85% of the Olympic average of the marketing year price for the most recent 5 crop years.
HR 2 – Title 1 Spending Change, CBO
House Bill - H.R. 2 Agriculture and Nutrition Act of 2018 – Title 2 Changes

- Increases Environmental Quality Incentives Program (EQIP) to $3 billion annually by 2023
- Increases annual funding for the Agricultural Conservation Easement Program (ACEP)
- Eliminates the Conservation Stewardship Program (CSP) beginning 2019
HR 2 – Title 2 Selected Conservation Spending Changes, CBO

![Graph showing selected conservation spending changes from 2019 to 2028. The graph indicates changes in million dollars for EQIP, ACEP, and CSP over the years.]
House Bill - H.R. 2 Agriculture and Nutrition Act of 2018 – Title 4 Changes

- Section 4015, Workforce Solutions
- Section 4006, Update to Categorical Eligibility
- Section 4008, Earned Income Deduction
- Section 4022, National Gateway
- Section 4010, Standard Utility Allowances
- Section 4011, Child Support
Coppess, J. and T. Kueth. "Mapping the Fate of the Farm, 2018 House Edition." farmdoc daily (8):95, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, May 24, 2018.
Senate Bill - S. 3042 Agriculture Improvement Act of 2018 – Title 1 Changes

- Increases ARC benefits by adjusting the yields used in the calculation
- Reduces the Adjusted Gross Income limitation to $700,000
Title 1 Spending Changes, CBO

![Graph showing Title 1 Spending Changes from 2019 to 2028. The graph compares spending changes for HR 2 and S 3042, with data points indicating fluctuations in spending over the years.]
Senate Bill - S. 3042 Agriculture Improvement Act of 2018 – Title 2 Changes

- CRP at 25 million acres, reduce rental rates
- Keeps CSP but reduces acreage to 8.797 million acres
Title 4 Spending Changes, CBO
Dairy and Cotton Policy

- Bipartisan Budget Act of 2018 made changes to both programs
- House and Senate farm bills make additional changes
- Each commodity has expressed safety net concerns relative to the 2014 farm bill
Summary

- Trade issues becoming entwined with farm bill passage this year
- Conference could be challenging
  - SNAP
  - Conservation
  - Payment limits
  - PLC versus ARC
- Mid-term elections
- Legislative calendar