



THE SHOW-ME STATE

72ND ANNUAL MEETING

of the

SOUTHERN LEGISLATIVE CONFERENCE

ST. LOUIS, MISSOURI | JULY 21-25, 2018

2018 Farm Bill Update

July 23, 2018

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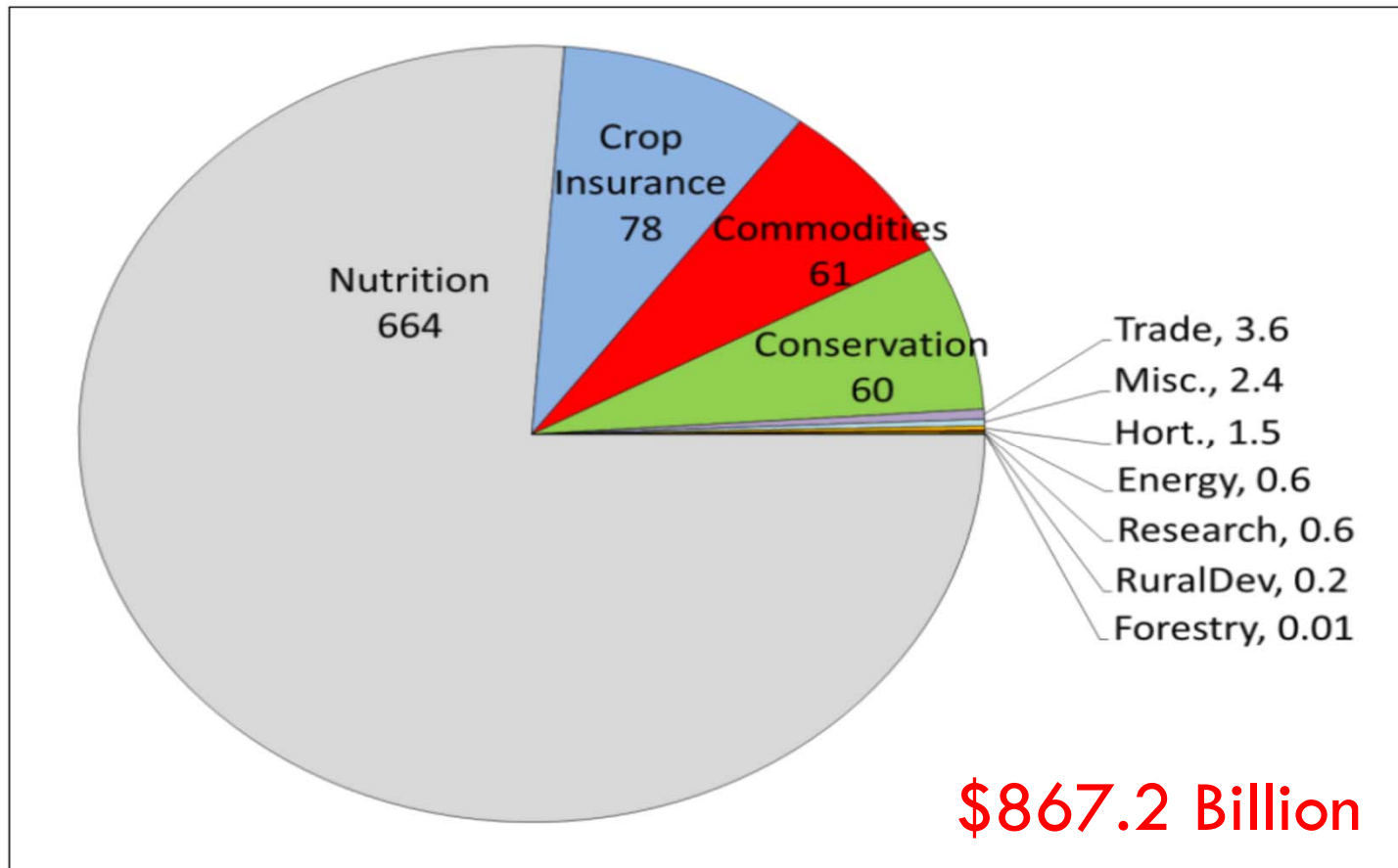
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 Extension

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)



Source: CRS, using CBO April 2018 Baseline (unpublished).

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

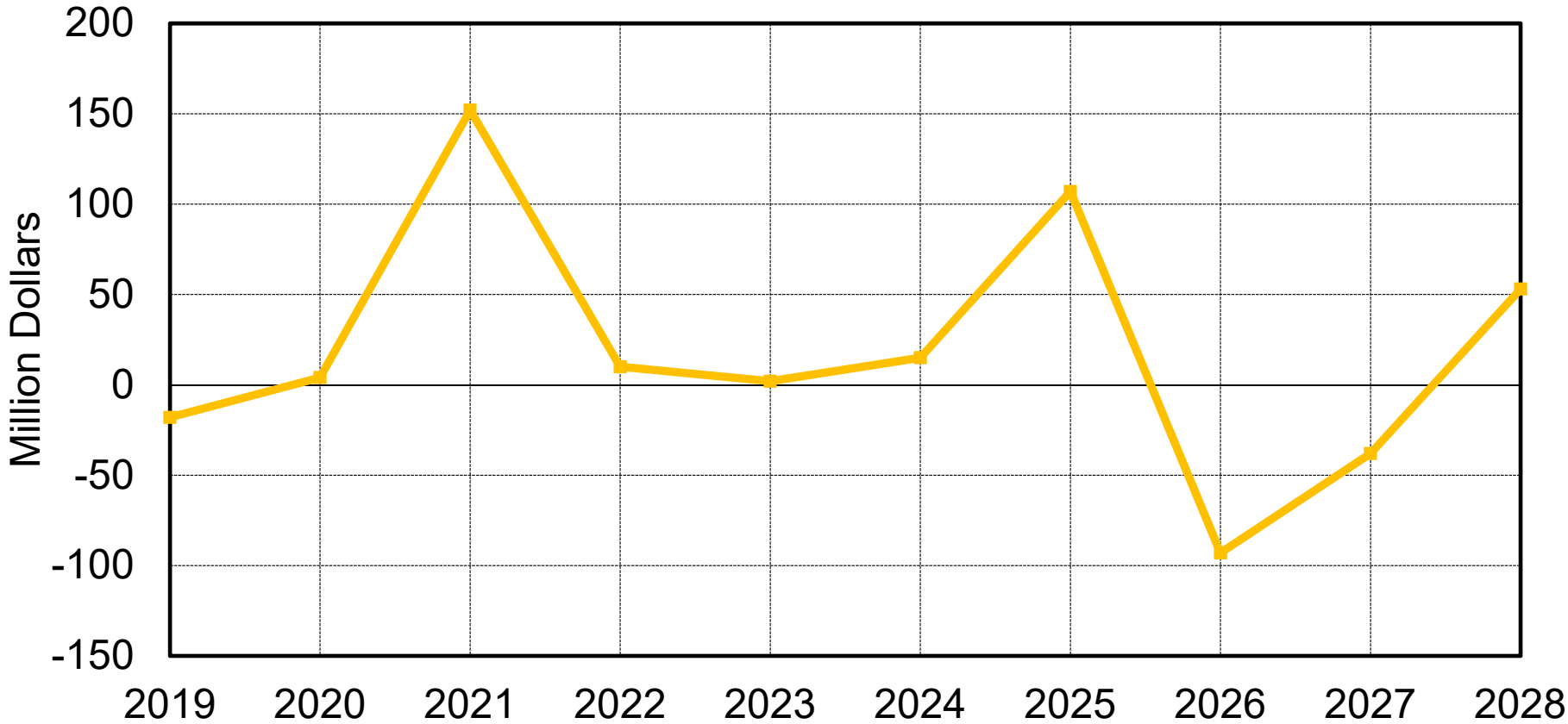


House Bill - H.R. 2 Agriculture and Nutrition Act of 2018 – Title 1 Changes

- 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

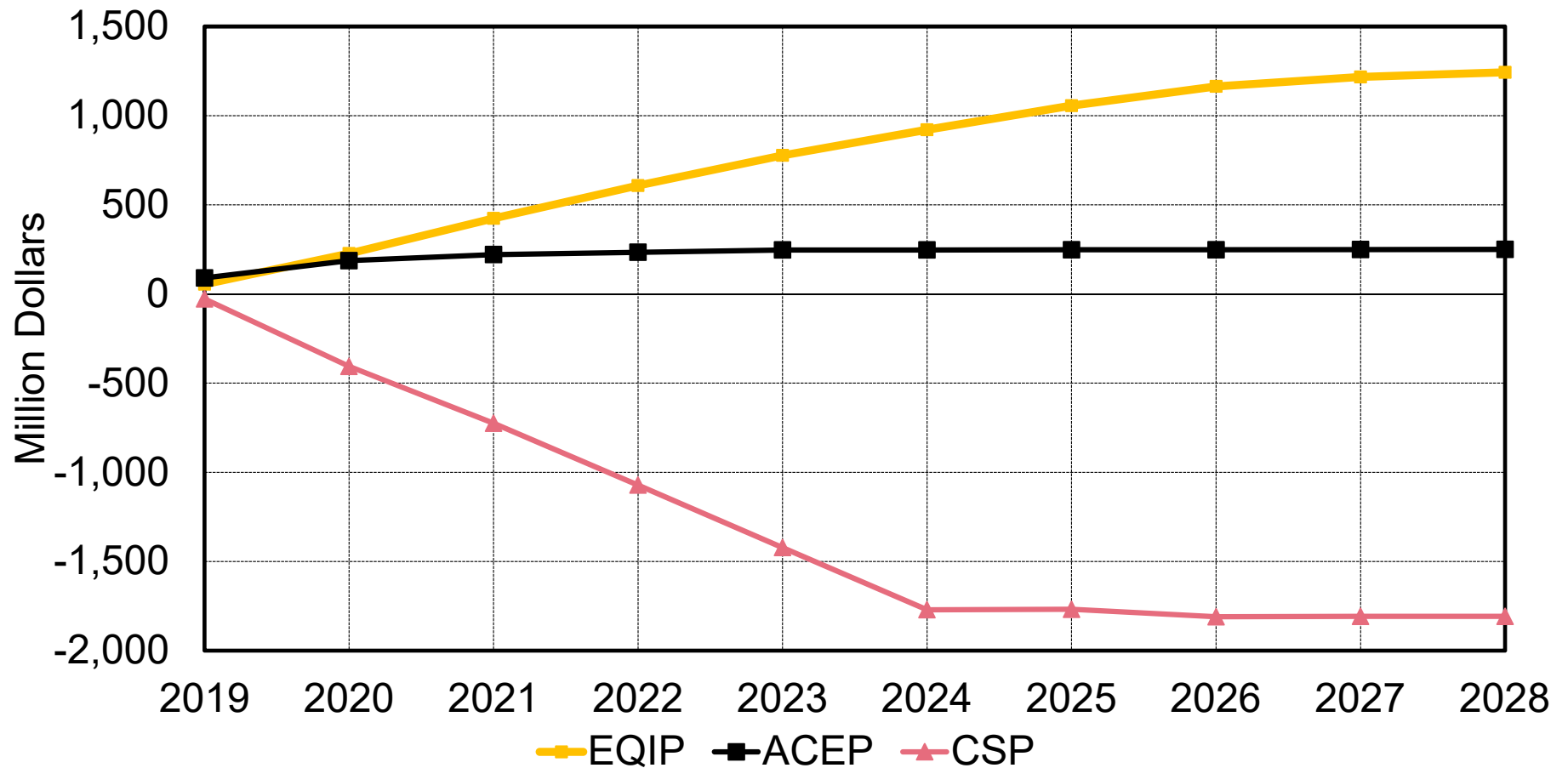


House Bill - H.R. 2 Agriculture and Nutrition Act of 2018 – Title 2 Changes

- 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

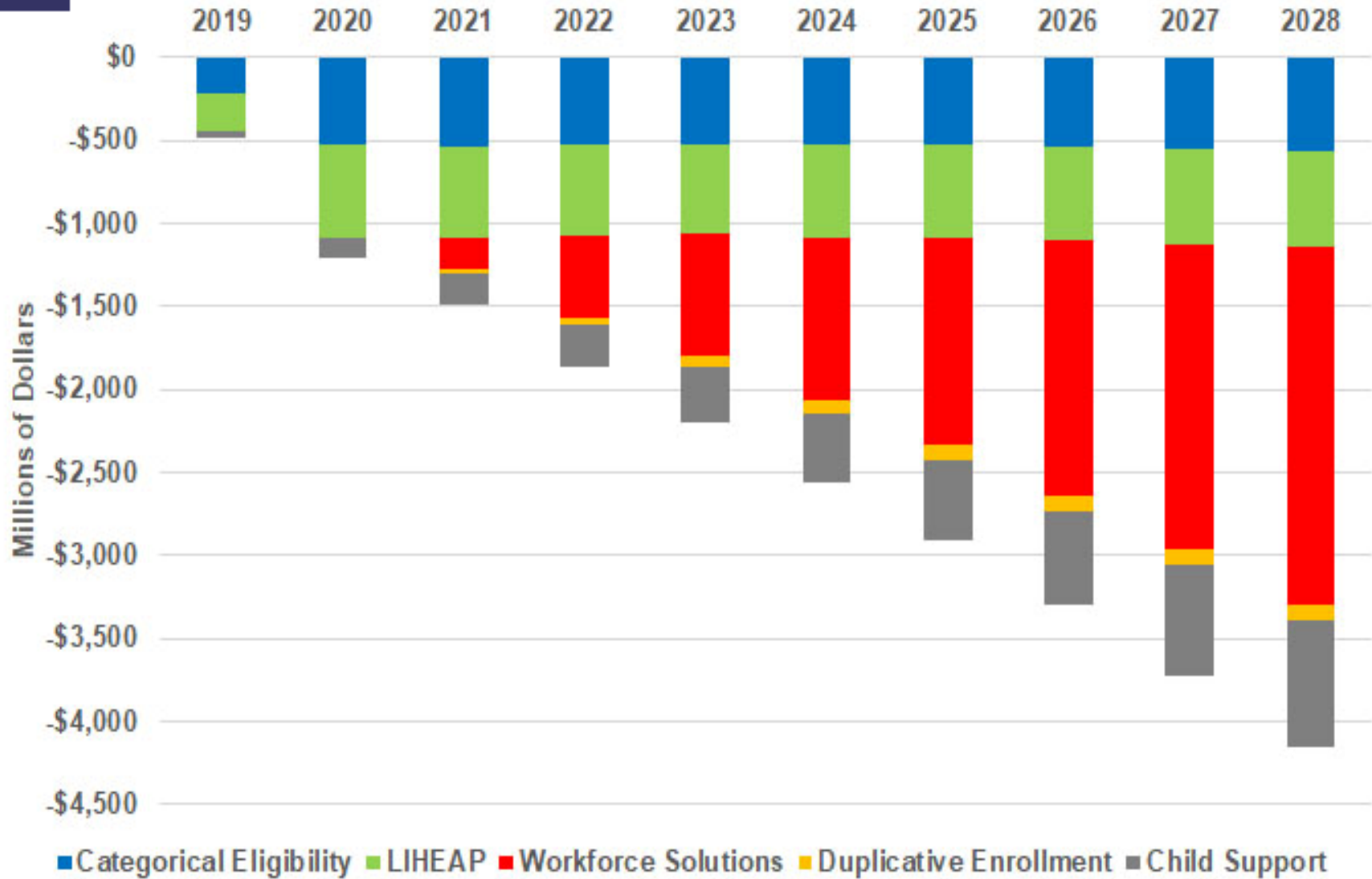


House Bill - H.R. 2 Agriculture and Nutrition Act of 2018 – Title 4 Changes

- 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



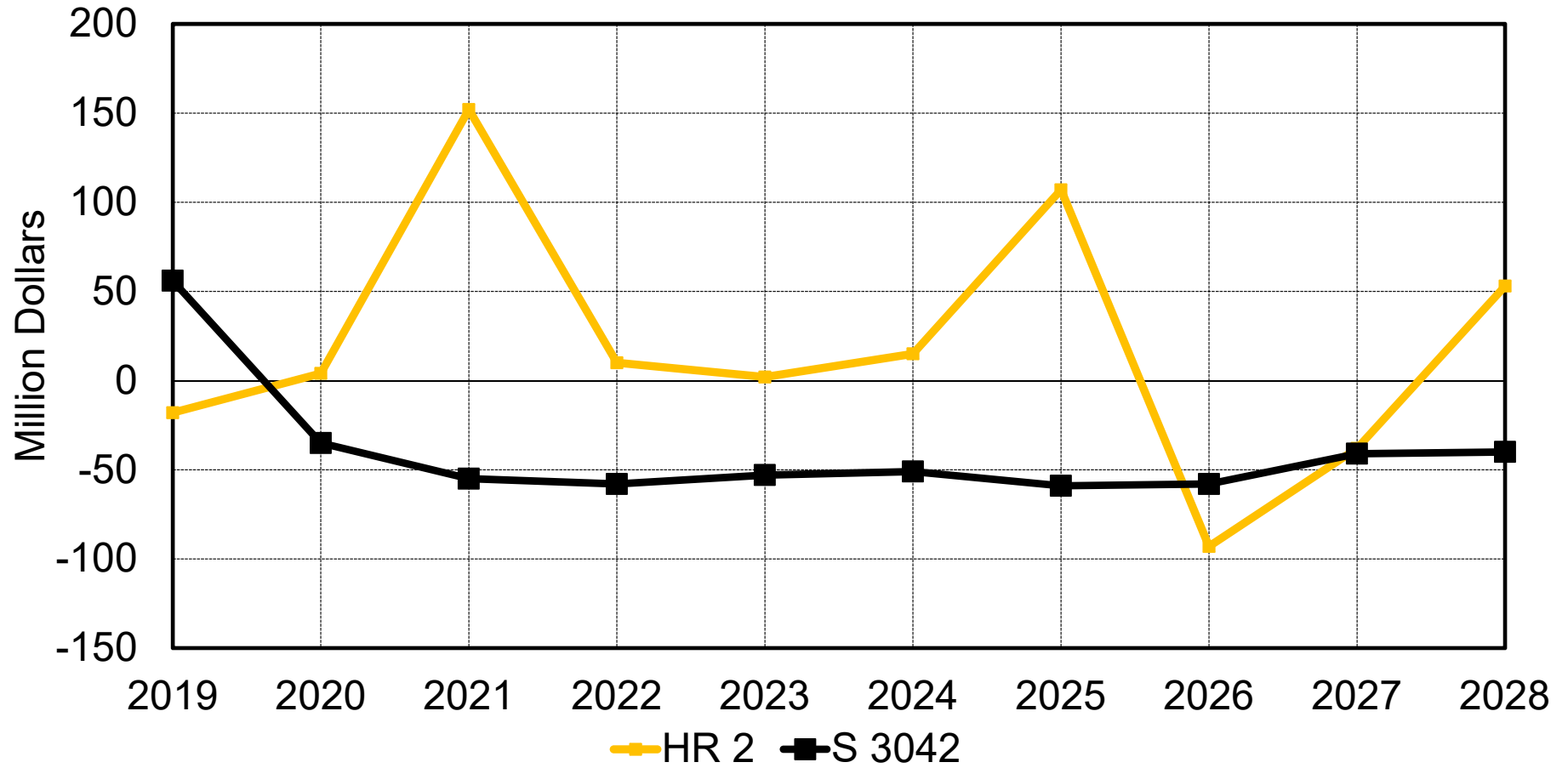
Figure 5. Reduction in SNAP Benefits, H.R. 2 (CBO)



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

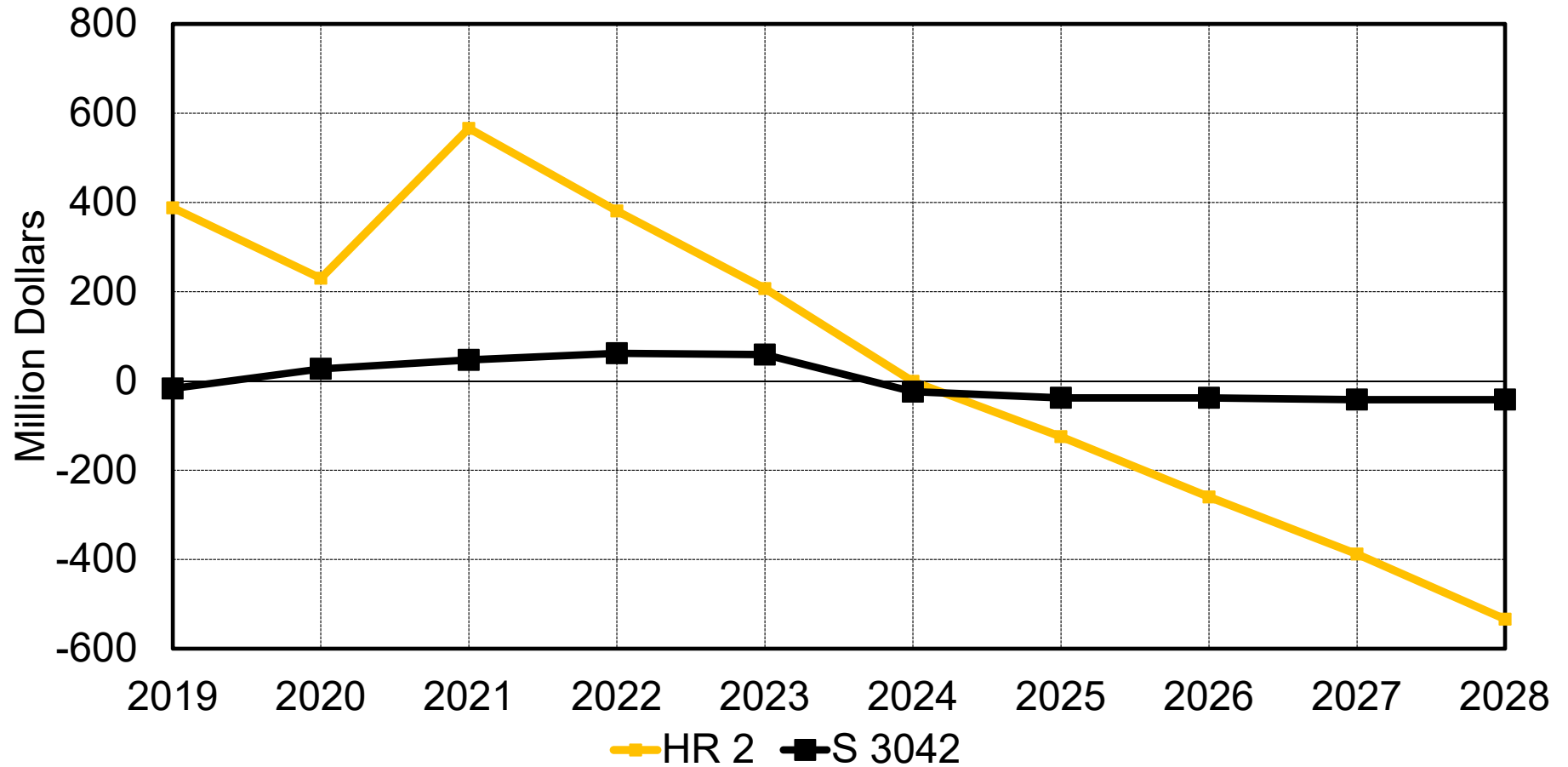
Title 1 Spending Changes, CBO



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