



2018 Farm Bill Summary

Title I - Commodity Programs

- Program election
 - Re-elect in 2019; annual election beginning in 2021
 - Failure to make unanimous election for 2019 results in no payments for that year and 2020-23 election will be same as in previous farm bill.
- Base acres
 - A farm planted entirely to grass or pasture, or that was idle or fallow, in 2009- 2017, will be ineligible for farm program payments for this farm bill, but base acres and payment yields will be maintained for future program eligibility.
 - CRP will be 'considered planted', not grassland, for this provision.
 - Ineligible base acres can sign up for Grassland Conservation Initiative within CSP.
- PLC, ARC-County, and ARC-Individual are reauthorized.
- PLC
 - Yield update
 - Begins in 2020.
 - Formula: 90% of average yield per planted acre for 2013-2017 (ignore years when covered commodity was not planted) times the yield update factor.
 - Yield plug is 75% of county average.

Yield Update Factor by Commodity

| Commodity | Yield Update Factor* |
|-------------------|----------------------|
| Barley | 0.9714 |
| Canola | 0.9595 |
| Chickpeas (Large) | 1.0000 |
| Chickpeas (Small) | 0.9767 |
| Corn | 0.9000 |
| Cotton (Upland) | 0.9000 |
| Dry Peas | 0.9988 |
| Flaxseed | 1.0000 |
| Grain Sorghum | 0.9000 |
| Lentils | 1.0000 |
| Mustard | 0.9423 |
| Oats | 0.9677 |
| Peanuts | 0.9273 |
| Rapeseed | 1.0000 |
| Rice (LG) | 0.9324 |
| Rice (MG/SG) | 0.9866 |
| Rice (T) | 0.9591 |
| Safflower | 1.0000 |
| Soybeans | 0.9000 |
| Sunflower | 0.9378 |
| Wheat | 0.9767 |

*The yield update factor is the ratio of the national average yield for the commodity from 2008-2012 and 2013-2017 (limited to not less than 90 percent or more than 100 percent).

- Reference price escalator
 - PLC reference price can increase up to 115% of statutory if market prices increase.
 - Wheat 5-yr Olympic marketing year average price would have to be > \$6.47 to see any increase.
- ARC
 - RMA yield data to be used as primary source.
 - Physical location of a farm used for county yields.
 - Plug yield increased from 70% to 80% of t-yield.
 - Trend-adjusted yields will be used.
 - Reference price escalator applies to ARC floor price.
 - Separate irrigated and non-irrigated yields published for each county.
 - Counties larger than 1,400 square miles with more than 190,000 base acres can split into 2 administrative units for ARC-CO.
 - The FSA state committee, in consultation with the county committee, can make this one-time election.
 - Limited to 25 counties nationwide; preference given to those with greater variation in climate, soils, and expected productivity.
- Marketing loans
 - Loan rates increased (see chart).
 - Marketing loan gains and LDP's no longer subject to \$125,000 payment cap.

Loan Rate Comparison Table

| Commodity | 2014 Farm Bill | 2018 Farm Bill |
|-------------------|--------------------|--------------------|
| Barley | \$1.95/bu | \$2.50/bu |
| Chickpeas (Large) | \$11.28/cwt | \$14.00/cwt |
| Chickpeas (Small) | \$7.43/cwt | \$10.00/cwt |
| Corn | \$1.95/bu | \$2.20/bu |
| Cotton (ELS) | \$0.7977/lb | \$0.95/lb |
| Cotton (Upland) | \$0.45 - \$0.52/lb | \$0.45 - \$0.52/lb |
| Dry Peas | \$5.40/cwt | \$6.15/cwt |
| Grain Sorghum | \$1.95/bu | \$2.20/bu |
| Lentils | \$11.28/cwt | \$13.00/cwt |
| Minor Oilseeds | \$10.09/cwt | \$10.09/cwt |
| Oats | \$1.39/bu | \$2.00/bu |
| Peanuts | \$0.1775/lb | \$0.1775/lb |
| Rice | \$6.50/cwt | \$7.00/cwt |
| Soybeans | \$5.00/bu | \$6.20/bu |
| Sugar (Raw Cane) | \$0.1875/lb | \$0.1975/lb |
| Wheat | \$2.94/bu | \$3.38/bu |

- Payment limitations
 - Expands the definition of family members to include first cousins, nieces, and nephews.
 - Applies sequestration reductions to PLC and ARC payments before applying payment limitations.
- AGI threshold
 - Maintains \$900,000 Adjusted Gross Income limit for commodity and conservation program eligibility.

Title II - Conservation

- Conservation Reserve Program - CRP
 - Acreage cap gradually increased to 27 million.
 - A proportional, historic state acreage allocation will be made for a portion of the acres available for enrollment.
 - Rental rate for general sign-up is 85% of county cash rent.
 - Rental rate for continuous sign-up is 90% of county cash rent.
 - Re-enrollments subject to additional reductions in rental payments.
 - Signing incentive and practice incentive payments decreased.
 - Seed cost share limited to 50% of actual cost.
 - More flexibility for haying and grazing.
 - TIP (Transition Incentive Program) overall funding increased and no longer requires landowner/contract holder to retire.
 - CLEAR 30 (Clean Lakes, Estuaries, and Rivers) pilot program offers 30 year contracts at CRP rates.
 - SHIPP (Soil Health Income Protection Program) pilot program in Prairie Pothole states offers 3-5 year contracts at 50% rental rates.

- Conservation Stewardship Program - CSP
 - EQIP and CSP partially combined.
 - Current contract holders with FY19 renewals allowed to renew under old program.
 - CSP will be dollar based instead of acreage based.
 - Future re-enrollments will compete with new enrollments.
 - New Grassland Conservation Initiative for expired base acres must address a priority resource concern; payments will be \$18/acre; and will be separate from any other CSP or EQIP contract.
 - Decreased overall funding.

- Environmental Quality Incentives Program - EQIP
 - Incentive payments added.
 - 50% livestock set aside retained.
 - 10% wildlife set aside.
 - Increased payment for high priority practices as determined by states.
 - Funding increasing from \$1.75 billion in FY19 to \$2.025 billion in FY23

Title III - Trade

- Agricultural Trade Promotion and Facilitation
 - Consolidates FMD, MAP, emerging markets, and TASC with FMD funded at \$34.5 million, MAP at \$200 million, and a trust fund of \$3.5 million per year to be used for greatest need; funds can also be used in Cuba.

- Food for Progress
 - Reauthorized.
 - Secretary to report annually on “rate of return” for monetization programs.

Title V - Credit

- Reduces or waives the 3-year experience requirement for farm ownership loans to beginning farmers.
- Loan Authorization Levels
 - Overall funding increased from \$4.226 billion to \$10 billion/yr.
 - Loan limits for FY 2019-23:
 - a) direct ownership loans increased from \$300,000 to \$600,000.
 - b) guaranteed ownership loans increased from \$700,000 to \$1,750,000.
 - c) direct operating loans increased from \$300,000 to \$400,000.
 - d) guaranteed operating loans increased from \$700,000 to \$1,750,000.

Title VII - Research

- US Wheat and Barley Scab Initiative
 - Funding increased from \$10 M to \$15M.
 - Indirect costs by any recipient of a grant from USWBSI capped at 10%.
- Indirect cost cap for other ag research, education, and extension program grants increased from 22% to 30%.
- Simplified Plan of Work
 - Requirements streamlined by deleting audits in favor of peer review oversight.
- Secretary must report on funding for NIFA and other extension programs.

Title X - Horticulture

- Hemp production given its own subtitle.

Title XI - Crop Insurance

- No means testing, cuts to the federal cost-share, or cuts to the delivery system.
- Cover crops
 - Considered good farming practice if terminated within guidelines.
 - Termination within guidelines won't affect insurability of subsequently planted crops or summer fallow designation.
- Crops that can be both grazed and mechanically harvested on the same acres during the same growing season can be insured separately.
- CAT administrative fee increased from \$300 to \$655.
- Enterprise units allowed to cross county lines.
- RMA must research and develop an optional, alternative and actuarially sound method of adjusting for quality losses:
 - that does not impact APH.
 - that allows exclusion of the quality loss from APH if it does not trigger an indemnity payment.