NATIONAL SUSTAINABLE AGRICULTURE COALITION

FARM BILL 2018: A PRIMER

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Background in Brief

What is the Farm Bill? – The Basics

The farm bill is a fairly comprehensive, multiyear piece of legislation that governs a substantial array of federal farm, food, fiber, forestry, and rural policies and programs under the joint jurisdiction of the House Committee on Agriculture and the Senate Committees on Agriculture, Nutrition, and Forestry.

Multiyear - From the 1930s when farm bills began through the 1960s, farm bills were taken up by Congress periodically but not on a set schedule. In the 1970s and 80s, farm bills occurred on a routine, four year cycle. Since the 1990s, farm bills have remained on a set schedule, but due to a variety of delays, they have been completed roughly on a six year basis, usually a year late and hence requiring short term or year-long extensions. *(Note: Some commentators consider farm bills as well as the food stamp program to have started in the mid-sixties, not the 1930s; others refer to the bills since the mid-sixties as the "modern" farm bills.)*

Comprehensive - If you think of the farm bill as a **long freight train**, it would have two powerful engines upfront. Since the 1930s, farm bills have focused on farm commodity program support for the staple, non-perishable, and generally storable commodities—corn, soybeans, other feed grains, wheat, rice, peanuts, dry peas, lentils, beans, oilseeds, sugar, cotton, and dairy. This constitutes **engine number one**. *(Note: For the most recent two farm bills, and likely to continue into the future, engine number one commodity programs have been joined by federal crop insurance policy and subsidies, a topic that heretofore was treated separately from the farm bill.)*

From the beginning, but growing in importance in the past five decades, the farm bill has also been the controlling legislation for a variety of federal nutrition programs, most importantly the food stamp program, today know as the Supplemental Nutrition Assistance Program (SNAP). Nutrition programs are thus **engine number two**. The political interplay between these two engines has long been considered the key to regular passage of the modern day farm bill.

Yet the farm bill has also exploded in the breadth of its coverage, especially during the past three decades. For instance, today, the conservation title might be considered a third engine of the farm bill due to the size of its farm bill funding total, though its political weight is not nearly as strong as the two primary engines. Beyond conservation, farm bills now routinely cover credit, renewable energy, rural development, horticulture, agricultural research, forestry and more. These are the **freight cars**. And yes, there is a **caboose** – the miscellenous title that is a catch-all for whatever does not fit elsewhere, with topic areas that frequently change from farm bill to farm bill.

Although the Agriculture Committees can and sometimes do deal with speific subjects in separate, freestanding legislation (e.g., 1980 rural development act, 1992 agricultural credit act, 1998

110 Maryland Avenue NE, Suite 209 • Washington, DC 20002-5622
p (202) 547-5754 f (202) 547-1837 • http://sustainableagriculture.net

agricultureal research act, 2000 crop insurance act, etc.), the farm bill provides three advantages -- a predictable opportunity for a more comprehensive treatment of food and agricultural issues, plenty of logrolling and vote trading opportunities, and a much desired reduced committee workload in the interveneing years between omnibus bills.

What is the Scope of the Farm Bill?

Authorization vs. Appropriation - There are two broad types of legislation, authorizations and appropriations. The farm bill is authorizing legislation, meaning it establishes policies and creates programs, most of which must then seek funding through annual appropriations legislation in order to be implemented. There are 12 annual appropriations (government spending) bills each year, one of which is agricultural appropriations. That bill contains funding for most USDA programs (other than the US Forest Service) and for all Food and Drug Administration programs.

While a majority of farm bill authorized programs must then seek appropriations, the farm bill itself is also the sole controlling bill for about a half-trillion dollars (assuming a five year farm bill at current spending levels) in non-appropriated funding that you will see referred to alternatively as mandatory funding, direct funding, farm bill funding, or some combination of those words. *(More on farm bill mandatory funding below, starting on the bottom of page three.)*

In and Out - The other key thing to remember about the scope of the farm bill is that it pertains to subject matter and underlying laws that are within the common jurisdiction of the two Agriculture Committees. All authorizing legislation subject matter is assigned to a congressional committee, and authorizing committees, as a general rule, must stay away from issues not in their jurisdiction.

In - Hence, the scope of the farm bill includes farm commodity, crop insurance, conservation, and credit issues, as well as anti-hunger, nutrition, rural economic development, private forestry programs, international food aid, agricultural trade programs, and more.

Out - On the other hand, most issues related to farmworkers and food workers, public lands and grazing rights, fisheries, reclamation law and irrigation water rights, FDA-controlled food safety, the Clean Water Act, the Renewable Fuel Standard, and agricultural taxation, among many other food and farm policy topics, are not in the farm bill and not in the Agriculture Committee's jurisdiction.

Child nutrition programs (school meals, WIC, farm to school, etc.) are within the Senate Agriculture Committee's jurisdiction but not House Agriculture, hence it is dealt with in separate legislation (the Child Nutrition Act), not in the farm bill. GMO policy and regulation is an example of an issue that includes multiple agencies (EPA, FDA, USDA) and hence multiple committees of jurisdiction, each with jurisdiction over their particular narrow slice of the law. The same is true for pesticides.

Interplay with Appropriation Bills - While the farm bill controls a large amount of mandatory or direct funding, the vast majority of individual farm bill progamtatic authorizations are subject to appropriations, and hence, for all of those programs, a farm bill authorization is just step one. Step two is to obtain funding for the program in subsequent annual appropriations bills. Many programs are authorized but never appropriated, and hence never actually exist in the real world even though they may exist in statute for decades. Occasionally, programs are appropriated but never authorized, though recent budget reform proposals are attempting to crack down on that practice.

Note also that agricultural appropriations happens each year, whereas the farm bill happens at most every four or five years. While appropriations bills in theory deal only with discretionary funding issues, increasingly in recent years, the bills have also become a vehicle for two manuervers that impinge on the authority of the farm bill and its authorizing committees. First, "changes in mandatory program spending" (or CHIMPS in Hill-speak) have been used to reduce farm bill mandatory spending, particularly for conservation and renewable energy programs. Second, "policy riders" (authorizing changes, often temporary in nature, that hitch a ride on spending bills) have reneged on policies established in the farm bill, including most recently Country of Origin Labeling (COOL) and Packers and Stockyards Act enforcement (the "GIPSA" rule).

Table of Contents and Highlights of 2014 Farm Bill

The Agricultural Act of 2014, more commonly referred to as the 2014 Farm Bill, became law in February 2014 and, for the most part, expires at the end of September 2018.

It contains 12 titles as follows:

Title I: Commodities
Title II: Conservation
Title III: Trade
Title IV: Nutrition
Title V: Credit
Title VI: Rural Development.
Title VII: Research and Extension
Title VIII: Forestry
Title IX: Energy
Title X: Horticulture
Title XI: Crop Insurance
Title XII: Miscellaneous

Note: Farm bill titles are not set in stone. The order, names, and number of titles change over time and even from bill to bill. For instance, the 1990 Farm Bill had 25 titles and included "Organic" and "Climate Change" titles, title one of the 1977 Farm Bill was "Payment Limits and Family Farms," and the 2008 Farm Bill included an historic "Livestock" title. However, the basic subject matter and titles included in most farm bills are fairly constant.

Highlights of the 2014 bill include a major redesign of commodity program support, expanded crop insurance coverage and subsidies, consolidation of certain conservation programs (and the first cut to conservation program funding since conservation emerged as a farm bill funding issue in 1985), and reauthorization of SNAP with fairly modest cuts (despite multiple attempts to make much larger cuts).

Highlights of the 2014 bill for sustainable agriculture and food systems include retention and continued expanion of the Conservation Stewardship Program, increased funding for targeted conservation patnerships, reinstituiton of conservation requirements as a condition of receipt of crop insurance subsidies, creation of a Whole Farm Revenue Protection crop and livestock insurance program for diversified farms, and retention, expansion, and increased funding for programs for new and beginning farmers, value-added and organic agriculture, local and regional food systems, and healthy food access and nutrition incentives.

Cost of the 2014 Bill and How the Pie Got Sliced

At the time of enactment, the projected five-year cost of all the mandatory programs in the 2014 Farm Bill was $489 billion, with nearly all of that coming from, in order, the nutrition title (nearly 80 percent of the total), crop insurance subsidies (9 percent of total), conservation programs (6 percent of total), and commodity subsidies (5 percent).

Budget projections, of course, are just that – projections. They change based on economic conditions, participation rates, and other factors. The most current (9/16) recalcuation of the cost of the farm bill is down to $457 billion (a $32 billion dip), including a substantial decrease in SNAP costs ($24 billion less), a substantial increase in commodity subsidy costs ($15 billion more and rising), and modestly lower levels for crop insurance and conservation costs. Why the changes? The overall health of the economy is better and the jobless rate lower, hence SNAP costs less as fewer people participate, and the overall health of the farm economy is far worse, and hence price-sensitive commodity subsidies cost more. *(Note: As a general rule, when commodity prices are low, commodity subsidies go up and crop insurance subsidies go down, but the net taxpayer exposure goes up.)*

The One Percent? - What about the one percent of the cost of the current farm bill that is not one of the big four factors named above? This is the realm where -- in addition to conservation -- NSAC spends much of its time and politcal capital. This slice of funding includes beginning and minority farmers, value-added, rural business development, organic farming, fruits and vegetables, local food, nutrition incentives, and agricultural research. While a small slice relative to the entire farm bill pie, it is not only a very important slice, but one that is quite new and also, at least until now, growing steadily.

By way of quick background, in all the farm bills from 1933 until 1985 there were zero farm bill dollars for conservation. That changed in 1985, with a billion dollars a year in conservation coming out of the 1985 farm bill (all in the Conservation Reserve Program). The historic 1985 farm bill conservation title was followed by new programs and funding increases in all the successive farm bills since then (until 2014, when conservation actually decreased some) to well over $5 billion a year today, including over $1 billion each for the Environmental Quality Incetives Program and the Conservation Stewardship Program, the two big working lands programs that NSAC played such a prominent role in creating and nurturing.

The same thing that happened to conservation has happened to the one percent slice, though on a much smaller dollar scale. In the 1996 Farm Bill, NSAC championed the Fund for Rural America, the very first farm bill program ever, going all the way back to 1933, that went to something other than commodities, nutrition, or conservation. The Fund will be remembered in farm bill history less for what it did than for the fact that it set a new (and somewhat shocking to the old guard) precedent that farm bills could spend mandatory funding on something other than commmodities, nutrition, and conservation.

In each farm bill since then, we have been growing that pot, from nothing at all prior to 1996 to the point where now, coming out of the 2014 Farm Bill, there is over $1.5 billion to be spent during the five year life of this farm bill on specialty crops, organic, beginning and minority farmers, value added, rural microenterprise, nutrition incentives, renewable energy, and the like. That is very good news, reflecting some very creative and hard work by NSAC and its partners. The programs have achieved some remarkable real world outcomes, and on the whole are being implemented well by USDA. But it is also true that they could be at great risk - more on that below.

Regular Order -- and Detours/Ditches/Roundabouts

One issue that occasionally is found swirling around the periodic farm bill reauthorization is whether the bill will be taken up and dealt with under regular order and normal procedures, or whether it will get trumped by budgetary or ideological pressure points. Under regular order and normal procedures, the farm bill will be formulated in the Agricultural Committees, move to the floor of the House and

Senate, be combined into a single final product in a House-Senate conference committee, go back to each floor for final approval, and move on to the President for his signature or veto. In earlier decades, this happened like clock work, though the most recent four farm bills all took at least two years (and temporary extensions of the old farm bill) to complete.

Budget Reconciliation? - One common detour from regular order since the 1980s has been what is known as the "Budget Reconciliation" process. Under budget reconciliation, the annual congressional budget resolution directs particular authorizing committees to cut mandatory spending by a particular amount and to report back to the Budget Committee a bill that makes those cuts by a date certain, when they then will be combined with other provisions reported back from other committees into an omnibus budget reconciliation bill.

Importantly from a procedural standpoint, the resulting bill is not subject to a filibuster in the Senate and thus can pass with a majority rather than a supermajority of votes. Substantively, it is completely up to the authorizing committee to decide what to cut to reach their assigned number. No provisions may be included that change policy but do not have an effect on spending.

Budget reconciliation bills have changed farm bill funding decisions by adding or changing farm bill policies in 1982, 1987, 1989, 1990, 1993, 1996, and 2005. In two of those years, 1990 and 1996, the budget reconciliation measure and the actual farm bill have become law in the very same year, whereas in the other cases, the farm bill spending cuts have occurred a year or more following passage of the farm bill.

Until the most recent two reconciliation bills impacting the farm bill (1996 and 2005), all of the cuts were to commodity subsidies, whereas the 1996 reconciliaiton bill hit food stamps hard and the 2005 bill hit a wide variety of programs, including conservation and rural development. *(Note: When the Agriculture Committee leaders attempted to do a farm bill under a reconciliation-like process in 2011, they wrote a bill that cut commodity, conservation, and SNAP spending, and, though it did not become law, the template that was thereby established became the foundation for what ultimately became the 2014 Farm Bill.)*

Budget reconciliation is important to mention in the context of the 2018 bill due to the fact that House and Senate Republican leaders have announced their intention to use budget reconciliation at least twice in 2017, once early in the year to repeal and replace the Affordable Care Act, and once later in the year to enact a tax reform bill. They need reconciliation procedures to do so as otherwise passing the bill in the Senate would require at least a modicum of bipartisan support to reach the otherwise necessary 60-vote threshold, an outcome which the GOP leaders fear they could not achieve given the parisan subject matter.

While no policymakers are yet talking about attaching farm bill provisions to either of these reconciliation measures, the possibility exists to expand one of them, most likely the tax reform one, to include a variety of other subjects, including at least theoretically, pieces if the farm bill. There are two reasons to think this is at the very least being given some consideration.

First, the Speaker of the House has long championed converting SNAP into a state block grant program, a provision that could save well over $100 billion in federal spending over a decade, while weakening the program and the safety net. Even if not the full blown block grant proposal, there are many potential substitute provisions that would keep the basic structure of SNAP intact, but cut the program very significantly by reducing benefits and/or reduing eligiblity.

Second, cotton and dairy trade associations are seeking higher federal expenditures to provide additional support in the face of low prices, while grain farmers have a variety of tweaks they want in the food and feed grain programs in the 2014 Farm Bill, all of which cost a good deal of money. In addition, quite a number of states would like to get some kind of disaster assistance to farmers facing droughts and other extreme weather events.

Were these provisions addressed through budget reconciliation, they would be far easier to achieve politically than under normal farm bill procedures, hence making them potentially attractive ideas to the champions of those particular causes. Were it to happen, it would take away much of the political urgency of passing a comprehensive farm bill under regular order, putting the 2018 Farm Bill at some risk of happening on time. Hence, in our view, we need to be prepared to work to stop this from happening, for both substantive and procedural reasons, and instead continue to build support for a comprehensive bill under normal farm bill procedures.

Two Bills or One? – If budget reconciliation is a detour, another equally bad possibility is running the farm bill car directly into the ditch known as splitting the farm bill into two bills, one for nutrition and anti-hunger programs and one for farm programs. There was noise about doing this in 1981, in the first farm bill of the Reagan presidency, but ultimately it was put to rest. But in 1995 and 1996, following the historic Republican takeover of the House of Representatives under the Contract with America banner, the farm bill almost never happened in the House for a variety of reasons, but including the desire to split the bill and deal with food stamps in budget reconciliation. In 2012 and 2013, following the 2011 attempt to do the farm bill entirely under budget-guided process, the House of Representatives again split the farm bill in two, with nearly devastating consequences. After first being defeated, it was stitched back together again and eventually became law.

So here we are back to the future, with a few voices in the Senate, and many more voices in the House, talking once again about splitting the bill into two. To date, spokespeople with some connection to President-elect Trump have said they are opposed to such attempts, and, nearly to a person, farm and commodity groups and nutrition and anti-hunger groups are opposed as well. But despite that united front, it is all but certain that the far right will make another run at divide and conquer in 2018.

2018 Prognosis

Conventional View of the Big Issues

As noted in the background section above, another battle over SNAP is expected, as well as proposals to expand and improve the commodity title in ways that could cost very significant additional dollars, led by dairy and cotton, but really including all the commodities to one degree or another. Here is a quick rundown of the issues receiving the most ink and most noise in the run-up to the next farm bill.

SNAP – Nutrition and anti-hunger advocates of course would love to be able to improve food stamp benefit levels, while retaining the program's structure and adding innovations to promote nutrition education and healthy eating. Given the political context, however, the campaign will be much more about not losing anymore ground, while fending off radical proposals to block grant and cut the program.

The most radical proposals in recent years have emanated from Speaker of the House Paul Ryan, both from when he previously chaired the House Budget Committee and more recently in his "A Better

Way" agenda for 2017 and beyond in the areas of poverty, national security, health care, tax reform, and the economy. Less radical and more specific to the farm bill, however, is the two-year series of 16 hearings on SNAP in the House Agriculture Committee, which resulted in a just-issued Committee report (which you can find on the committee website) entitled *Past, Present, and Future of SNAP*.

While the report is supportive of SNAP and its important food security and safety net contributions, it doubles down on the oft-repeated attack on strengthening work requirements and reducing flexibility to keep working age adults on the program during times of high unemployment. It is reasonable, therefore, to expect that to be a strong focus of the 2018 reauthorization debate. On the other hand, the report also hints at support for measures to improve access and promote healthy food and eating habits, offering a potential area where advocates could be proactive rather than purely defensive.

Beyond substance, process also looms large. As noted above, the far right (Members, think tanks, lobbies, etc.) has made it clear they will take another run at splitting nutrttion and farm programs into two separate bills. Their purpose is to scale back spending and what they view as programs that foster dependency and crony capitalism, respectively. It is precisely to keep both nutrition and farm programs alive, well, and funded that the historic farm bill coalition has kept nutrition and farm programs joined at the hip. And indeed, the farm bill lobby is strongly united this time around keeping the bill together and intact, aroused as it was by the House defeat of the farm bill in 2013.

Commodities – In much of the commentary during and following passage of the 2014 Farm Bill, the point was made repeatedly that the new bill represented the dimunition of the commodity title and the coronation of federal crop insurance program as the mainstay of the farm safety net. Commodity prices were fairly good at the time, and hence that was an easy view to proclaim. However, as commodity prices have slid and farm income has declined since that time, the prevailing view going into the next bill is quite different, with changes to the commodity title front and center, and the crop insurance industry and the related farm interest groups hoping to just hold the line and keep the status quo on the crop insurance title.

That said, it is true now and will be true after the next farm bill becomes law that crop insurance subsidies will outweigh commodity program subsidies. And in terms of its impact on the structure of agriculture, conservation and the environment, new farming opportunities, and federal spending, federal crop insurance will continue to loom large…and stand in the need of substantial reform.

Cotton made a unique choice in the last farm bill, taking the vast majority of "it's money" out of the commodity title and putting it in the crop insurance title via the creation of the most robust of all the many crop insurance policies, a policy known as STAX. However, with weakening prices since that time, the new policy has proven fairly unpopular with cotton farmers and enrollment has been far lower than expected. It is becoming obvious that cotton, either in whole or in part, will attempt to re-enter the world of two basic support programs in the commodity title, at what could be a significant cost.

Dairy also had a new program – the Margin Protection Program - created for it in the 2014 Farm Bill. It has also left many dairy producers relatively unhappy with the result, especially in the face of very low prices currently. Like cotton, dairy is looking for substantial, and potentially costly, changes in the new bill to deal with the economic crisis that dairy farmers find themselves in.

For the ***food grains, feed grains, and oilseeds***, the 2014 Farm Bill created two new programs – the Agricultural Risk Coverage option *(think of it as an add-on to crop insurance coverage, but without any cost to the farmer)* and the Payment Loss Coverage option *(think of it more like the traditional farm program where the* *taxpayer makes up the difference between market prices and a government-set threshold price).* Each farm was given a one-time choice between the two programs, and their choice then stuck for the five years of the farm bill. It would be reasonable to expect commodity groups to ask for less county-by-county variation in ARC payment rates, highler PLC price thresholds, and more flexibility for mid-farm bill program choice. All of these would cause significant spending increases.

On the other hand, reformers of varying hues and from left, right, and center will urge stronger caps on per-farm payments, stronger income tests to determine program eligibility, a reduced percentage of commodity acres eligible for payments, reduced government-set price reference points, increased conservation requirements, and no doubt many other types of proposals.

Conservation – For better or probably for worse, the conservation issue receiving the most attention at this early point in the process is whether to increase the size of the Conservation Reserve Program, the conservation title's land retirement program. As the sole supply management tool left in the farm bill toolkit, every time commodity prices are low, interest in the CRP spikes, whereas when prices are better, interest in the CRP wanes. The 2014 Farm Bill, written in good years, reduced the maximum acreage cap for the CRP to 24 million acres, and the program is currently filled to the brim.

Hence, many commodity interests, joined by wildlife interests, now want to see the cap raised. CRP, though, is the most expensive of all of our conservation programs on a per acre, per year basis, and hence raising the cap will be costly. That cost, though, would be partially offset by a corresponding decrease in the cost of the commodity title, as it would take land out of production, thus reducing supply and modestly boosting prices and lowering subsidy payments.

More importantly, unless overall spending on the conservation title were to be increased (which is not likely), increasing the CRP will mean reducing spending on the two working lands programs – EQIP and CSP, and thus removing the major tools to improve agricultural practices that impact soil and water quality and conservation. This would be incredibly devisive within the conservation community, and, if a lack of unity on a conservation agenda should come about, conservation as a whole could suffer enormously. Hence there is an urgent need to have a meeting of the minds now in order to keep the conservation coalition intact and give it a fighting chance to defend and improve the conservation title.

…And Now for the Less Conventional View

OK, that was a quick rendition of the main topics for the next farm bill one would gather from the agricultural press. Now for a rundown of some other issues that are high on the minds of the sustainable farm and food community, in addition to those mentioned above.

Remember the One Percent? – We Cannot Leave Them Stranded!

With only tiny exceptions, most of the commodity, crop insurance, and conservation programs, as well as SNAP, have what is known as permanent funding. They will be funded based on current law into the indefinite future even if there is no new farm bill. And when the new farm bill is debated, changes in policies will change their cost only at the margins, but the bulk of the $450 billion-plus per five years in spending for these programs will chug right along.

In sharp contrast, many of the newest, most innovative, and most cost effective farm bill programs will run out of funding on September 30, 2018. These are the programs that NSAC and its partners have long championed, many of which went out of existince for one year (2013) as a result of the 2008 Farm

Bill being extended for a year without provision for continued funding for these sustainable agriculture and food system priority programs.

It is therefore critical that the next farm bill be completed on time. If, for any reason, a short-term farm bill extension becomes necessary, an extension of farm bill direct funding will be needed to ensure that programs continue, something we failed to achieve in the last farm bill. And, most importantly, when the final new Farm Bill is written, it is paramount that these programs remain intact with their funding levels improved to meet rising demand and popularity.

All of that will, of course, cost money, thus putting a premium on winning cost-saving reforms in other parts of the bill and on the very strongest grassroots advocacy campaign we have ever run as a community. Putting it in a nutshell, **<u>WE MUST PROTECT OUR BASE!</u>**

The programs at risk include:

- **Programs that foster the next generation of farmers**. Beginning Farmer and Rancher Development Program, Conservation Reserve - Transition Incentives Program, and Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Program (2501).

- **Programs that spur economic development, regional food systems, food access, and renewable energy.** Farmers Market and Local Food Promotion Program, Value-Added Producer Grants Program, Rural Microentrepreneur Assistance Program, Food Insecurity Nutrition Incentives, and Biomass Crop Assistance Program.

- **Programs that support farmers to supply the expanding organic market.** Organic Agriculture Research and Extension Initiative, the Organic Production and Market Data Initiatives, and the National Organic Certification Cost Share Program.

Not all programs within the $1.5 billion-plus "one percent" slice are without permanent funding. The specialty crop programs – Specialty Crop Block Grants and Spcecialty Crop Research Initiative being the most prominent – have permanent funding. So do the Seniors Farmers Market Nutrition Program, Community Food Grants program, Rural Energy for America Program, Risk Management Education Program, and Risk Management Partnership Program, among others. While improvements could be made to those programs that might raise their cost, they would continue at current funding levels even if the new farm bill ignores them completely.

All the major farm bill conservation programs, thankfully, now have permanent funding. Those include the Conservation Reserve Program, Conservation Stewardship Program, Environmental Quality Incentives Program, and the Agricultural Conservation Easement Program, as well as the Regional Conservation Partnership Program, a program which pulls its funding from the other programs. **We have a big agenda ahead to reform and improve the conservation programs, increase funding for the easement program which got cut badly in 2014, fight for the survival of CSP, and defend the title against any proposed cuts**, but fighting for permanent baseline will no longer be an issue.

Up Next - Marker Bills

"Marker bill" is an informal, generic name for a piece of legislation that bundles together a variety of related policy asks for the sake of getting ideas on the table in the context of a large reauthorization bill.

The intent of the legislators who introduce marker bills is not to have their bill adopted into law directly, but rather to establish an agenda and set of ideas they will then push and hope to get pieces of into the large omnibus bill, in this case the farm bill.

NSAC and its member organizations, plus various configuarations of partner groups and allied coalitions, are currently preparing what could become as many as six different marker bills for introduction in 2017. We use marker bills to lay out an agenda, cultivate congressional champions and supporters, garner grassroots support and excitement about the possibilities for policy reform and the advancement of our programs, and then eventually get major pieces of the bills included in the farm bill, either as part of the initial draft bills introduced by the Chairs of the Agriculture Committees or through the amendment process in Committee and on the floor of the House and/or Senate.

Our intention for each of these bills is to find congressional champions and get each bill introduced -- preferably in the House and Senate both and at the same time, and preferably with bipartisan sponsors -- during the first half of 2017, and to build campaigns around them as we move toward 2018 and full-on congressional consideration of a new farm bill. Things may proceed that way, or some draft bills may be split into several smaller bills, some may be introduced in one house but not the other, some may not have bipartisan lead sponsors, etc. We cannot predict the future, but at least for starters our default position is to pursue comprehensive, bipartisan, and bicameral bills and then see what's possible and what the traffic will bear.

Here is a brief summary of what is under development:

1. The **Beginning Farmer and Rancher Opportunity Act** will lay out a comprehensive policy agenda for expanding opportunities for new farmers by reducing common barriers to entry, including limited access to land and markets, hyperinflation in land prices, farm and tax policy disadvantages, insufficient training, and inadequate risk management options. These reforms to existing programs and new initiatives will build upon previous accomplishments in beginning farmer policy and seek to scale up investments to ensure the success of the next generation of farmers. This will be the third farm bill cycle in which we have introduced a BFROA marker bill.

2. The **comprehensive conservation title marker bill** seeks to improve conservation programs in ways that increase support, access, and flexibility for farmers, while strengthening the long-term protection of natural resources and the environment and mitigate climate change. Not only is it critical that farmers and ranchers have the financial and technical assistance that they need to improve stewardship on their land, but USDA must also be able to clearly demonstrate the proven benefits of adopting specific conservation activities. This bill seeks to reward, incentivize, and support high-level conservation systems, while simultaneously strengthening easement opportunities and mechanisms through which USDA can help protect critical natural resources.

3. The **crop insurance reform bill** will protect and support the crop insurance program as an important and necessary component of an effective farm safety net, but will also seek significant reforms to align the program with the societal goals of fostering family farm agriculture and protecting the environment. The marker bill we hope to see introduced, as a single comprehensive bill or several bills each carrying a specific issue, would make major substantive changes to crop insurance in four key areas – Family Farm Alignment, Conservation Alignment, Fair and Equal Access, and Transparent Delivery.

4. The **local and regional food system marker bill** (for the last farm bill called the Local Farms, Food, and Jobs Act, but will have a new name this time) will support job creation by improving policies and programs that support: infrastructure development that enables local and regional food systems to expand and diversify beyond direct marketing into intermediated marketing channels; new entry into local and regional food systems market place for all farmers and ranchers; local food and farm based solutions and initiatives to addressing hunger and diet related chronic diseases.

5. The **"seeds and breeds" marker bill** will expand research support to ensure farmers have access to regionally adapted seeds and breeds that meet the needs of diverse cropping, grazing, and cover crop systems. This bill seeks to reverse the downward trend of diminishing federal resources to support public breeding research and the development of locally adapted and publically available varieties. It will seek to improve research coordination, increase federal funding for conventional breeding projects, and ensure publically funded varieties remain accessible to the public.

6. The **sustainable livestock marker bill** will expand support for sustainable livestock, dairy, and poultry production. The aim is to improve management practices, increase economic and market opportunities, and foster a transition to more humane and sustainable systems. Provisions will span conservation, credit, marketing, research, and infrastructure development components of the farm bill. The campaign around this bill hopes to mobilize sustainable farmers and ranchers and producer associations, the food industry sourcing from these farms, environmentalists and climate activists, and the consumer, public health, and animal welfare communities.

In addition to these marker bill activities, other measures either already in the hopper or under development include: **food waste** bills, **urban agriculture** bills, **racial equity** packages, and an **organic** agriculture marker. And, no doubt, before all is said and done, there will be others as well.

…And Now a Word about Our Sponsors

Many things have changed as a result of the 2016 elections, but one thing expected to remain remarkably stable is the leadership of the Agriculture Committees. As has been the case the last several years, the Chair and Ranking Member of the House Agriculture Committee will be Representatives Mike Conaway (R-TX) and Collin Peterson (D-MN) and their counterparts on the Senate side will be Senators Pat Roberts (R-KS) and Debbie Stabenow (D-MI).

The Democrats gained a total of 6 seats in the House and two in the Senate which could slightly change the ratio of committee seats given to each party, but if so, it will be a marginal change.

Both Committees are expected to be fairly stable, but there will be some changes and some new faces.

House - On the House side, the following Members will not be back to Congress: Representatives Randy Neugebauer (R-TX), Chris Gibson (R-NY), Dan Benishek (R-MI), Ann Kirkpatrick (D-AZ), Gwen Graham (D-FL), and Brad Ashford (D-NE). In addition, a number of current members of the Committee seem likely to leave for other assignments. Once the dust settles early next year, there will likely be at least five or six new members from each party on the 45-person Committee. In addition, several of the Subcommittees will have new leaders on either the Republican or Democratic side.

Senate - On the Senate side, absent a change in the ratio and absent someone deciding to leave the Committee, there may be no changes at all. The Senate Committee is also a very veteran committee, with three former chairs of the committee still serving, plus several other very long-serving Senators on board, and only four of the 20 members not having yet been through a farm bill.

While House Members obviously run for re-election every other year, Senators run only every six years. A very significant fact about the upcoming 2018 election cycle is that 25 Democrats but only 8 Republicans will be standing for re-election. Moreover, five of the Democrats will be running in states won by Romney and Trump and an additional five will be running in states won by Trump but not Romney. Of those 10 Democrats, five sit on the Senate Agriculture Committee (Senators Stabenow, Brown, Casey, Heitkamp, and Donnelly), and several others could play major roles on the floor, including Senators Tester and Baldwin. This situation will form a major political backdrop for the farm bill, a dynamic that will be amplified further by the fact that the Senate Majority Leader, Mitch McConnell (R-KY), also sits on the Agriculture Committee.

Regions – It is often said the farm bills are more regional than partisan in their disagreements. This is true to a significant extent with respect to commodities and to a lesser extent with conservation policy. It is far less true of many of the other issues in the farm bill. But commodity policy, more than any other factor, determines which Members tend to get on the Agriculture Committees and which do not.

By region, the Senate Agriculture Committee has 11 members from the north central region, 5 from the south, 3 from the northeast, and one from the west. On the House side, the new makeup of the Committee will not be fully determined until early next year, but for sake of comparison, in the current Congress the regional breakdown is 17 from the south, 11 members from the north central, 8 from the west, and 5 from the northeast.

Process and Timeline – First, a caveat – remember what it says above about detours, ditches, and roundabouts. What follows is about regular, normal order, but whether we have that or not remains to be seen, as noted above.

The Committees, and especially the leaders, play a huge role in the farm bill development process. The flow of events follows the familiar legislative pattern. Hearings, both in DC and in the field, are likely to occur in 2017 and maybe into 2018. Marker bills will start being dropped into the hopper early in 2017 and that process will continue throughout the year and possibly into 2018.

When committee leadership is ready to begin the real action, the Chair will introduce his "mark" – a comprehensive bill text that becomes the vehicle the Committee will debate, amend, and vote on in a process known as committee "mark-up." If a bill is reported out of Committee, it then waits for floor time, a process determined in large measure by the congressional leadership of the majority party. The bills are then debated and further amended on the floor, yielding a House-passed and a Senate-passed version of the bill, which then goes to a Conference Committee, usually made up most often by the most senior members of the two Agriculture Committees, which writes the final bill. That bill then goes back to the floor of the House and Senate for a vote to approve the Conference Report, if approved, the final bill heads to the President for his signature or veto.

If they are to stay on time, and complete a new farm bill before the current one expires, they need to be finished with all of the above by September 30, 2018. If they do not make it on time, they will need to pass a farm bill extension before the end of September 2018. Farm bill extensions in the past have ranged everywhere from a few weeks to a full year. The length of time for an extension is generally worked out by the Committee leadership in negotiation with House and Senate leadership.