

HOUSE COMMITTEE ON AGRICULTURE

CHAIRMAN FRANK D. LUCAS

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FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT

The Federal Agriculture Reform and Risk Management Act (FARRM) is a bipartisan bill that saves taxpayers money, reduces the nation's deficit, and repeals outdated policies while reforming, streamlining, and consolidating others. It is the product of a two-year process that included auditing for effectiveness and efficiency every single policy under the jurisdiction of the House Committee on Agriculture. The result is legislation that cuts spending, reduces the size of government, and makes common-sense reforms.

Some of the highlights include:

- FARRM saves more than \$35 billion in mandatory funding.
- FARRM repeals or consolidates more than 100 programs.
- FARRM cuts billions in discretionary spending authority.
- FARRM starts the process of making much-needed reforms to the Supplemental Nutrition Assistance Program (SNAP), saving taxpayers more than \$16 billion.
- FARRM repeals Direct Payments, Countercyclical Payments, ACRE, and SURE, replacing these four programs with a policy that will save taxpayers more than \$14 billion.
- FARRM consolidates 23 conservation programs into 13, improving program delivery to producers and saving taxpayers more than \$6 billion.
- FARRM provides regulatory relief, including H.R. 872, to mitigate burdens placed on our nation's farmers, ranchers, and rural communities.

Title I: Commodities

Repeals Four Current Commodity Programs

Direct Payments, Counter-Cyclical Payments (CCPs), the Average Crop Revenue Election (ACRE) program, and the Supplemental Revenue Assistance Payments (SURE) are repealed, saving \$14 billion.

Streamlines and Reforms Commodity Policy

U.S. agriculture is diverse and dynamic with unique perils and risk management needs that differ by crop and region. A Washington-style command-and-control, one-size-fits-all commodity policy does not respect the diversity of American agriculture.

FARRM appreciates the nature of the private sector and offers producers a choice in risk management tools. It allows a one-time election for producers to choose between two options on a crop-by-crop and farm-by-farm basis. Under either option, the risk management tool provided is only there for producers when they suffer a significant loss.

Price Loss Coverage (PLC) is a risk management tool that addresses deep, multiple-year price declines:

- PLC will complement federal crop insurance, which is not designed to cover multiple-year price declines.
- PLC uses modern yields and an index of below cost of production prices to establish a market-oriented, price-based risk management tool for producers.
- PLC limits budget exposure by only addressing deep, multiple-year price losses, and prevents the need for costly and unbudgeted bailouts when markets collapse.

Revenue Loss Coverage (RLC) is a risk management tool that addresses revenue losses, similar to S. 3240's Agriculture Risk Coverage (ARC) proposal with key improvements:

- RLC requires a producer to experience at least a 15 percent loss, helping ensure that all risk is not removed from farming and that no growers are guaranteed profits.
- RLC offers coverage based on county-wide losses to ensure that a government program is not set up to duplicate, for free, what farmers should pay for under crop insurance.
- RLC uses yield plugs and an index of below cost-of-production prices as a benchmark in establishing this revenue-based risk management tool for producers.

FARRM provides full planting flexibility to ensure that producers plant for market and agronomic conditions. FARRM's PLC and RLC apply to planted acres up to total base acres on a farm in order to contain costs.

Cotton producers are ineligible for PLC or RLC, but may purchase an area-wide, group-risk crop insurance policy, known generally as STAX.

Marketing Loans

Producers remain eligible for marketing loans under the same repayment terms except in the case of cotton. For cotton, loan rates may be reduced from current levels, consistent with the STAX proposal.

Sugar

Sugar policy is reauthorized to operate at no cost to the taxpayer.

Dairy

FARRM replaces outdated, ineffective subsidy programs with a new, voluntary risk management safety net for dairy producers. Dairy producers will have the option to sign up for the basic margin program, helping them to better manage risk when milk prices and feed costs converge. Producers that sign up for the margin program would then be subject to supply management controls, wherein proceeds of milk sales normally received by the producer would be reduced for the production which exceeds an applicable percentage of their designated base. Funds collected by this program will be used by USDA to purchase surplus dairy products for donations to food banks and other programs.

The two main components of the program will be margin protection and a market stabilization program meant to manage milk supply. The basic margin protection provides a base level of margin protection for 80 percent of production history when the margin falls below \$4.00 for a consecutive two-month period. The producer will also be able to purchase additional supplemental coverage up to an \$8.00 margin. The first 4 million pounds of milk marketed will have a lower premium rate, which will be particularly beneficial to small producers. The supply management program will activate when the margin is below \$6.00 for two consecutive months and reduces producers' payments by 2 to 8 percent depending on market conditions. The program contains a number of market-based triggers to terminate the program when domestic or international markets demand U.S. products.

Summary:

- Saves \$37 million over 10 years, nearly a 10 percent saving from the current baseline;
- Creates one new program: the voluntary risk management, which is tied to a supply management program;
- Reauthorizes 3 programs: (1) Dairy Forward Pricing Program; (2) Dairy Indemnity Program; and (3) Dairy Promotion and Research Program; and
- Eliminates 4 programs: (1) Dairy Product Price Support Program; (2) Milk Income Loss Contract Program (MILC); (3) Dairy Export Incentive Program; and (4) Federal Milk Marketing Order Review Commission.

Livestock

Supplemental Agricultural Disaster Assistance is reauthorized for livestock producers. Livestock Indemnity Payments (LIP), Livestock Forage Disaster Programs (LFP), Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP), and the Tree Assistance Program (TAP) are all generally reauthorized.

Title II: Conservation

FARRM streamlines and consolidates 23 programs into 13. This not only saves the American taxpayer over \$6 billion, but also improves conservation delivery by simplifying the numerous programs available to producers.

Over the past several farm bills, Congress has taken a piecemeal approach to creating our conservation policies. Since 1985, Congress has addressed natural resource concerns by creating more than 20 farm bill conservation programs; some of which are regional initiatives and many of them have overlapping functions or goals. The 2012 Farm Bill reverses this trend by looking at conservation programs in a more comprehensive way.

The Conservation Title still provides farmers, ranchers, foresters, and landowners with voluntary, incentive-based financial and technical assistance for conservation practices. Through these programs, producers protect and restore water quality and quantity, air quality, wildlife habitat, and meet regulatory requirements while providing a safe, secure, and affordable food supply.

Conservation Reserve Program (CRP)

Improves and Focuses the Conservation Reserve Program (CRP)

Maximum enrollment of CRP is gradually reduced to 25 million acres allowing enrollment to focus on the most environmentally sensitive lands and saving American taxpayers close to \$4 billion.

Landowners will be able to better manage their enrolled acres with added flexibility for haying and grazing. Additionally, two million acres are reserved for working grassland contracts.

To ensure that environmental benefits are maintained, expiring acres will receive priority consideration for working grassland contracts and Conservation Stewardship Program contracts, and producers will be given the ability to enter into contracts of working land programs before their CRP contracts expire.

Beginning farmers or ranchers will be afforded greater access to productive land with the continuation of the Transition Incentives Program (TIP).

Working Lands

Supports the Environmental Quality Incentives Program (EQIP)

The House bill prioritizes the Environmental Quality Incentives Program (EQIP) by maintaining current funding. With the regulatory pressures farmers and ranchers face, it is important to continue this incredibly beneficial cost share program with no cuts. EQIP provides cost share incentives to producers to meet or avoid the need for national, state, or local regulation. EQIP will provide additional incentives for wildlife by absorbing the functions of the Wildlife Habitat Incentives Program (WHIP). The program maintains the Conservation Innovation Grant (CIG) subprogram to promote new and innovative conservation practices.

Additionally, the program will maintain priorities for beginning farmers or ranchers and socially disadvantaged producers while including for the first time a priority for veteran farmers. Producers under these priorities would also be eligible to cover up to 50 percent of upfront project costs.

Conservation Stewardship Program (CSP)

CSP encourages producers to adopt new conservation measures, while maintaining current practices to protect natural resources. Program changes allow more flexibility for local identification of natural resource concerns. Enrollment is limited to 9 million acres per year.

Voluntary Public Access and Habitat Incentive Program

Owners and operators of private land are able to realize a benefit by creating wildlife habitats and opening their land to hunting and fishing activities. This program is reauthorized for the life of the bill.

Easements

Agriculture Conservation Easement Program (ACEP)

ACEP consolidates existing easement programs into one program for streamlined and flexible administration. Under ACEP, land can be enrolled into an Agriculture Lands Easement to protect working grassland or farmland, or can be enrolled into a Wetlands Easement to protect and enhance water quality and wildlife habitat.

Regional

Regional Conservation Partnership Program (RCPP)

RCPP consolidates four programs into one targeted initiative that leverages USDA funding and resources by partnering with private organizations or working directly with producers to address natural resource concerns. Targeted conservation initiatives are developed on the local level and selected by USDA through a competitive, merit based application process. Additionally, USDA may designate Critical Conservation Areas to target conservation programs in regions under significant regulatory pressure.

Other

Small Watershed Rehabilitation Program

The Small Watershed Rehabilitation Program provides technical and financial assistance for planning, design, and implementation of projects for the purposes of rehabilitate aging watershed dam projects (including upgrading or removing dams) in communities to address flood prevention as well as flood-related health and safety concerns.

Grassroots Source Water Protection Program

This program encourages each state to use technical assistance for the purpose of allowing State rural water associations to address regulatory requirements and promote conservation practices with the intent of protecting and improving the quality the nation's drinking water.

Title III: Trade

The U.S. agricultural industry is highly dependent on exports, with nearly a third of all cash receipts generated from international markets. The bill ensures that our producers are able to capitalize on these opportunities by making strategic investments in programs designed to address foreign barriers to U.S. exports. Increased margins for U.S. farm output translates to greater capital flows back to rural America, supporting farms and their rural communities. The bill also reauthorizes food aid programs with specific changes to administrative provisions to ensure greater transparency and accountability.

Trade Programs

Market Access Program (MAP)

The Market Access Program is reauthorized to provide assistance on a cost-share basis, targeting small businesses, farmer cooperatives, and non-profit trade organizations. Private contributions are estimated at 60 percent of total annual spending on trade promotion and market development.

Foreign Market Development Program (FMD)

The reauthorized FMD program partially reimburses participants for approved overseas trade promotion activities which address long-term foreign market import constraints, and identifying new markets or uses for U.S. commodities. Preference is given to nonprofit U.S. agricultural and trade groups that represent an entire industry.

Technical Assistance for Specialty Crops (TASC)

Specialty crop exports face a variety of non-tariff trade barriers which can close access to key markets without notice. The TASC program is reauthorized, and additional authority is provided to ensure that USDA can respond to technical barriers to trade with resources made available through the program.

Export Credits (GSM-102)

The GSM-102 program is reauthorized and preserves USDA's authority to adjust the length of tenor and the fees required to cover the costs of the program. Export guarantees made available under GSM-102 assist in financing exports of U.S. agricultural commodities in markets where credit might not otherwise be available.

Additional Provisions

Authority is extended for the Emerging Markets Program (EMP) which promotes U.S. exports established in emerging markets and is limited to generic rather than branded products. Also, the Global Crop Diversity Trust, which supports the storage of germplasm in seed banks around the world, is extended.

Food Aid Programs

The U.S. contributes nearly half of all in-kind food aid in the world and is the single largest donor of food aid. The bill reauthorizes food aid and development programs and strengthens monitoring and reporting requirements to ensure transparency and accountability. The bill also

provides resources to build resilience in recipient communities to mitigate and prevent food crises and reduce the future need for emergency aid. The bill reflects the current budget environment and in support of efforts to reduce the federal deficit \$144 million in mandatory spending is not reauthorized.

Food for Peace

The Food for Peace Act is reauthorized to continue providing critical humanitarian and development assistance in developing countries. The bill ensures the timely delivery of food aid through funding for the pre-positioning of commodities. To eliminate price disruptions for local farmers and markets in developing economies through monetization, further clarification on market value and price is given to USDA and USAID.

In recognition of the need to balance the dual roles of food aid, the minimum level of development funding is reauthorized at \$400 million. Cash assistance to support development programs is reduced in recognition of budget constraints. Funding is included for the development and testing of new, fortified food aid products and to ensure the highest standards of food aid quality.

Specific funding for oversight, monitoring and evaluation of Food for Peace programs is continued at \$10 million per fiscal year to ensure proper management of food aid and development programs, including \$8 million for the Famine Early Warning System network. A detailed report describing all efforts taken by the Administrator of USAID for monitoring and evaluation is required for a precise accounting of these funds.

The bill also reauthorizes the Food for Progress program, the Bill Emerson Humanitarian Trust, and the McGovern-Dole International Food for Education and Child Nutrition program.

Title IV: Nutrition

FARRM makes common-sense reforms, closes program loopholes, and cracks down on waste, fraud, and abuse saving the American taxpayer over \$16 billion. The legislation strengthens program integrity and accountability while better targeting the federal nutrition programs to serve those in need of assistance.

Supplemental Nutrition Assistance Program (SNAP)

Makes Common Sense Reforms to Program Eligibility

Restricts categorical eligibility, or automatic eligibility, to only those households receiving cash assistance from Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), or other state general assistance programs. Ensures all households meet the requirements of SNAP law, including the asset and gross income limits, before they can receive benefits. Receiving a TANF-funded brochure or referral to an “800” number hotline would no longer automatically make a household eligible for SNAP.

Closes Program Loopholes

Closes a loophole in SNAP related to how Low Income Home Energy Assistance Program (LIHEAP) payments interact with the SNAP benefit calculation. Some states are sending \$1 or \$5 LIHEAP payments to low-income households so they may automatically take advantage of a SNAP deduction and receive a higher amount in SNAP benefits. This legislation stops states from sending nominal LIHEAP payments in order to trigger a deduction for the sole purpose of increasing their SNAP benefits. This provision will not affect any households receiving traditional LIHEAP assistance or any household that can demonstrate a utility cost.

Eliminates State Performance Bonuses

Ends the bonuses USDA awards to states for administering SNAP, and saves taxpayers nearly half a billion dollars without affecting SNAP recipient benefits.

Cracks Down on Waste, Fraud and Abuse

Ends SNAP Benefits for Lottery Winners

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

Prevents Traditional College Students from Receiving SNAP

Restricts SNAP eligibility for traditional college students by limiting eligibility to those participating in technical and vocational education programs, trade studies, remedial course work, or basic adult literacy.

Cracks Down on Trafficking

Provides USDA with additional resources to prevent trafficking of SNAP benefits.

Strengthens Program Integrity and Accountability

Improves the Quality of Participating Retail Stores

Requires participating retailers to stock more staple foods like fruits and vegetables and bans stores from participating if they have significant sales of prohibited items like liquor and tobacco. Includes provisions to further monitor and prevent fraud at retail stores, and allows more service options for homebound elderly or disabled SNAP recipients.

Increases Oversight of the Restaurant Meals Program

Requires states and territories to submit a plan to USDA if they are choosing to implement a Restaurant Meals Program to serve homeless, elderly and disabled populations. The plan must demonstrate a need for such a program along with effective control measures.

Improves Accountability of the SNAP Employment and Training Program

Requires states to report on their respective Employment and Training program to provide more accountability of how SNAP participants are gaining skills, training, and work, or experience that leads to employment.

Additional Nutrition Programs

Increases Assistance for Food Banks

Food banks have been successful in effectively utilizing government dollars and securing private sector donations in order to feed hungry Americans. However, local food banks have been struggling to provide enough food to needy families in the current economic climate. Increasing funding for The Emergency Food Assistance Program (TEFAP) will help food banks supplement the diets of low-income individuals.

Supports the Commodity Supplemental Food Program

Continues support for CSFP, and transitions the program to serve only senior citizen populations while allowing the small percentage of women and children currently enrolled in CSFP to continue to receive services until they have exceeded the age of eligibility. This better targets the program to seniors who utilize CSFP the most. Women and children will all continue to be served by the WIC program, which is more suited to their dietary needs.

Gives Seniors and Low-Income Families Access to Farmers Markets

Expands the Senior Farmers Market Nutrition Program to not only benefit senior citizen populations, but also provides low-income families access to fruits and vegetables through coupons that can be exchanged for eligible foods at farmers' markets and community-supported agriculture programs.

Promotes Fruits and Vegetables to School Children

Continues current funding for the Fresh Fruit and Vegetable Program, but maximizes those dollars by allowing elementary schools, with a high proportion of low-income students, to purchase fresh, frozen, canned, and dried produce to make available to students throughout the day. Maintains current funding for the DOD Fresh Program that distributes fresh fruits and vegetables to schools and service institutions; and creates a pilot program to allow up to five states to use their allocation to source local produce.

Continues Food Distribution on Indian Reservations

Reauthorizes funding for the Food Distribution Program on Indian Reservations (FDPIR), which provides food assistance to Indian Tribal Organizations (ITOs).

Increases Support for Community Food Projects

Increases support for grants to eligible nonprofit organizations seeking and developing innovative ways to improve community access to healthy foods.

Title V: Credit

FARRM reauthorizes credit programs to meet the growing needs throughout rural America. These programs are contained in the Consolidated Farm and Rural Development Act, including all Farm Service Agency (FSA) loans through 2017 with the following changes.

Promotes Family Farms within Farm Ownership Loans

The House Agriculture Committee recognizes the need to provide flexibility for farm operating loans in response to modern legal entities created for estate succession planning. This flexibility allows the Secretary to permit farmers to obtain farm ownership loans through these modern legal entities.

Increases Loan Guarantee Percentage for Conservation Loan and Loan Guarantee Program

In response to establishing enhanced conservation practices, the House provided additional access to borrowers by increasing the Loan Guarantee Amount from 75 percent to 90 percent.

Improves Maximum Loan Value for Down Payment Loan Program

While maintaining the FSA cap at \$300,000 like all other FSA direct ownership loans, the House increased the maximum loan value from \$500,000 to \$667,000 giving farmers and ranchers the opportunity to afford to purchase land in areas with high real estate values.

Eliminates Mineral Rights Appraisal Requirement

This provision does not eliminate all mineral rights appraisals but instead puts in place the same standards as many certified appraisers. By eliminating this burdensome requirement, FSA will spend less administrative time and money.

Grants New Authority to Waive Personal Liability for Youth Loans

Strictly on a case by case basis this new provision will enable youth who obtained an FSA loan and became delinquent, to not be ineligible for student loans and grants that might prevent them from obtaining higher education.

Enhances Beginning Farmer and Rancher Provisions

In addition to those provisions outlined above, to support beginning farmers and ranchers, reauthorizations along with enhancements to current programs include:

- Reauthorizes the Beginning Farmer and Rancher Individual Development Accounts Pilot Program which authorizes matching-funds for savings accounts to meet farming-related expenses
- Reserves Loan Fund Set-Asides, which is a portion of the guaranteed farm ownership loan and direct operating loan funds, for beginning farmers and ranchers.
- Provides priority for joint financing participation loans and down payment loans within direct farm ownership loans. By providing priority to applicants USDA can maximize the number of borrowers served for a given level of appropriations.
- Removes median farm size limitation by replacing “median” with “average”. This clarification in terms, allows more otherwise qualified applicants to receive beginning farmer ownership loans, while excluding those who already own a substantial piece of land.
- Provides the Secretary with discretion in defining the experience necessary to qualify a beginning farmer or rancher for a farm ownership loan. This modification ensures that otherwise qualified farmers are not excluded from the program.

Maintains State Agricultural Mediation Programs

Extension of this program further enables agriculture and USDA-related disputes to be resolved.

Provides Flexibility for Loans to Purchasers of Highly Fractionated Land

To reinforce the elimination of barriers for an effective loan program, flexibility has been given to FSA to develop a program to meet the needs of Indian Tribes. This program, as currently authorized in the 2008 Farm Bill, prescribes a complex process for sales of highly fractionated Indian land.

Title VI: Rural Development

FARRM reauthorizes the core loan and grant programs while eliminating duplicative or wasteful authorities. Fourteen programs are eliminated and funding levels are reduced by more than \$1.5 billion over five years, a 50 percent reduction in authorizations. This authorized level of funding ensures that available appropriations can be focused on the programs that have the greatest impact on rural communities. In addition, \$100 million in mandatory money is not reauthorized.

Additional provisions are included to ensure USDA tracks the success of these investments and the information can be used to improve future program rules. The bill also requires USDA to develop simplified application forms wherever practical for rural development programs to reduce administrative burdens and make the programs more accessible to small, rural communities.

Rural development programs are intended to assist communities through loans and grants to build critical infrastructure and provide access to credit. Through these programs small, rural communities can access funds to build or update water systems, build broadband infrastructure, and finance other critical community facilities. Small businesses are able to access credit through loans, grants, and loan guarantees to finance new enterprises or expand their current business.

Supports Water and Wastewater Programs

Programs, which assist rural communities in addressing critical water and wastewater, needs are reauthorized, including assistance through loans and grants for municipal systems and household wells. Resources for technical assistance are provided to help communities focus on core needs and plan the appropriate remedies. Programs include the Water, Waste Disposal and Wastewater Facility Grants, the Circuit Rider Program, Imminent Community Water Assistance Grants, and grants to finance individual wells.

Supports Business Loans and Grants

Several key programs are reauthorized which provide either grants, loans, or a combination of both to small businesses. Two distinct relending programs are reauthorized to assist small businesses start or expand their operations. The Intermediary Relending Program provides access to credit for loans up to \$250,000 in medium or small towns. The Rural Micro-entrepreneur Assistance Program provides small loans of \$50,000 or less to re-lending organizations to assist small businesses with fewer than 10 employees.

Rural Cooperative Development Grants are extended to assist in the development of new cooperatives and improve the operations of existing cooperatives. Value-Added Producer grants are reauthorized with \$50 million in mandatory funding. These grants benefit producers and cooperatives that process agricultural commodities to capture increased margins directly. Priority is given to beginning farmers and ranchers under this program.

Funding set aside for locally and regionally produced agricultural food products is capped at 7 percent of the program, ensuring that other viable business ventures can compete for scarce funding under the Business and Industry Loan Program.

Broadband Infrastructure

The Broadband Loan Program is reauthorized to provide access to broadband service in rural America. Specific provisions are added to increase transparency in the program to ensure investments focus on areas without broadband service. Additional emphasis is placed on projects which will serve both businesses and homes to maximize the economic impact of each project.

The Distance Learning and Telemedicine program is also reauthorized to provide funding for schools and hospitals. These projects allow small communities to access education and health services which would otherwise not be available.

Community Facilities

The bill reauthorizes several essential community facilities loans and grants which provide direct assistance to small, rural communities. These funds are made available to develop essential public facilities such as hospitals, fire stations, public safety services, and specific infrastructure projects.

Regional Authorities

The Northern Great Plains and the Delta Regional Authorities are both reauthorized. These regional commissions are intended to coordinate investments across several states including business, infrastructure, and education ventures.

Rural Transportation

The bill requires USDA to update a previous study on rural transportation issues to provide policy makers with current data on the state of transportation systems which move commodities and processed goods throughout rural America.

Title VII: Research, Extension and Related Programs

FARRM continues and enhances critical research ideas while leveraging public and private dollars. The legislation acknowledges the economic hardship facing our nation. Key elements of the legislation include:

- Repeals authority for non-competitive grants under numerous grant programs

- Extends the authorization of appropriations for 47 research, extension, and education programs
- Repeals 77 research and extension programs and reports
- Eliminates five additional research and extension programs that have or will expire
- Reduces or eliminates authorized funding levels by \$500 million.
- Reduces direct spending under this title by \$83 million over five years.
- Replaces 12 “such sums as necessary” authorization limits and includes levels consistent with actual appropriations.

Past support for agricultural research and education has resulted in Americans enjoying the most abundant, safest, and most affordable food supply in the world. Agricultural research typically provides a return of 30 to 60 percent on federal investment.

Although agricultural research and extension have been highly successful, many food and agricultural challenges continue to face our nation’s producers, processors, and consumers. As the United States becomes more dependent on the global economy, it is imperative to address issues of productivity to meet increasing world demands and competitiveness to assure a higher percentage of market share. Domestically other critical social, economic and natural resource issues must also be solved.

Intramural research programs

This title extends authority for intramural research programs carried out by the Agricultural Research Service; Economic Research Service, National Agricultural Statistics Service and the Forest Service.

Extramural research programs

Authority for extramural research grants and formula funds programs administered by the National Institute of Food and Agriculture are extended.

Land Grant Universities

University research for agricultural activities is reauthorized for 1862, 1890 and 1994 Land grant colleges and universities.

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

Competitive grants to NLGCA institutions are reauthorized in order to maintain and expand research and outreach in regards to agriculture, renewable resources and production practices.

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

The NAREEE advisory board is reauthorized while enhancing the involvement of other agricultural industry interests in the consultation of agricultural priorities.

Agriculture and Food Research Initiative

AFRI continues critical agriculture research by providing competitive grants through integrated research and extension activities.

Increased transparency for Budget Submission

Enhances accountability and transparency of USDA administered research, extension and education funding by mandating that the annual Presidential Budget Submission include sufficient information for the Congress to thoroughly evaluate and approve future spending plans. With regard to extramural competitive grant programs, USDA will be barred from obligating appropriated funds unless a comprehensive spending plan is submitted with the President's budget and approved by Congress.

Addresses the shortage of veterinarians

Included in this legislation is the Veterinarian Services Investment Act. Similar pieces of legislation have been introduced in the House and Senate including: S.855, H.R. 1297, H.R. 1442, H.R. 1469, H.R. 1551, S. 721, and S. 724. This act requires an entity to develop programs to relieve shortages, support private practices, and support those practices that successfully complete a specified service requirement. This bill, which has previously passed the House of Representatives, is the only new authorization in this title.

Specified initiatives

This bill would reauthorize commodity specific research programs such as Specialty Crop Research Initiative, Organic Research and Extension Initiative, Sustainable Agriculture Research and Extension, and the Beginning Farmer and Rancher Development Program.

Title VIII: Forestry

FARRM promotes the health of America's national, state, and private forests while eliminating five expired programs. The forestry title also places caps on the authorization levels of several existing programs.

Continuing Forest Conservation Programs

The Forest Legacy Program and the Community Open Space Program, which help preserve forested lands facing conversion to other uses, are continued with reduced authorization levels. The Healthy Forest Reserve Program, which helps landowners promote habitat for wildlife, is reauthorized.

Combating Invasive Species and Natural Disasters

The forestry title contains authority for the Forest Service to accelerate its treatment of national forests affected by pine bark beetle infestation and natural disasters. This authority streamlines the approval process for the Forest Service in selecting afflicted areas that need treatment within our national forests.

Protecting Forest Jobs

The forestry title reauthorizes the Office of International Forestry, which is designed to help facilitate the development of foreign markets for domestically produced wood products. The strategic plan for the Forest Inventory is updated to reflect the needs of rural communities across America. The Rural Revitalization Technologies program is reauthorized in order to provide grants and technical assistance to forested rural communities.

Improving Forest Health

The Forest Stewardship Contracting program is extended for an additional four years, allowing the Forest Service to engage in needed restoration work on our national forests. The Agriculture Conservation Experienced program is amended to allow the Forest Service to hire retired employees to assist the agency in forest stewardship projects.

Title IX: Energy

FARRM helps diversify our nation's energy supply and creates new economic opportunities in rural America by promoting the development of advanced biofuels and renewable energy.

The title eliminates mandatory funding and reauthorizes programs at reduced discretionary funding levels that will save taxpayers more than \$500 million. FARRM streamlines current programs, enhances program integrity, and repeals five programs that have outlived their usefulness.

Rural Energy for America (REAP)

REAP provides financial assistance to farmers and ranchers or small rural businesses for renewable energy systems such as anaerobic digesters, solar or wind projects, and energy efficiency measures; as well as grants for energy audits.

The title creates a tiered, streamlined, and efficient application process for farmers and rural businesses applying for smaller or less costly projects to install renewable or energy efficient systems. In an effort to target funding, the authority for feasibility studies is eliminated and a new definition for renewable energy systems is created to clarify congressional intent by eliminating funding for ethanol blender pumps.

Biomass Crop Assistance Program (BCAP)

BCAP was created to assist landowners in the establishment of dedicated energy crops. The title prioritizes funding for the establishment of dedicated energy crops by eliminating controversial Collection, Harvest, Storage, and Transportation (CHST) payments.

Biorefinery Assistance Program (BAP)

BAP provides loan guarantees for the construction or retrofitting of biorefineries that will enable the commercial-scale production of advanced biofuels. The provision eliminates grant authority for demonstration facilities.

Biobased Markets Program

Amends the definition of "biobased product" to include a definition of "forest product" for USDA's BioPreferred Program. This definition allows certain domestic forest products with mature markets to be eligible under federal procurement guidelines for renewable products. Materials eligible under this amended definition would include items such as pulp, paper, and wood pellets.

Biodiesel Fuel Education Program

The Biodiesel Fuel Education Program provides competitive grants to non-profit entities to provide information and outreach on the benefits of biodiesel fuel use.

Additionally, the title reauthorizes the Bioenergy Program for Advanced Biofuels, the Biomass Research and Development Program, the Feedstock Flexibility Program, and the Community Wood Energy Program;

Repeals or ends authorizations of the Repowering Assistance Program, the Biofuels Infrastructure Study, and the Renewable Fertilizer Study, the Rural Energy Self-sufficiency Initiative, and the Forest Biomass for Energy Programs.

Title X: Horticulture

The Horticulture Title continues and expands popular and successful programs that recognize the diversity of U.S. specialty crops and organic agriculture, including fruits, vegetables, nuts, horticulture, and nursery crops.

Supports Farmers Markets and Local Economies

The Farmers Market Promotion Program increases funding for competitive grants to improve and expand direct producer-to-consumer market opportunities including the development of local food system infrastructure.

Continues the Specialty Crop Block Grant Program

FARRM increases funding for the Specialty Crop Block Grant Program, which has been successful in enhancing the competitiveness of specialty crops through grants awarded to states to support research, product quality enhancement, food safety, and other projects important to the specialty crop industry.

Combats Pest and Disease By Focusing on Early Detections

FARRM consolidates and increases funding for two very effective programs, the Plant Pest and Disease Management and Disaster Prevention Program and the National Clean Plant Network. Detecting and responding to a plant pest or disease in the early stages of an introduction is a significant cost savings for taxpayers, and can help minimize the potentially devastating impact on agriculture.

Supports Organic Agriculture

This legislation reauthorizes two important programs supporting the organic industry, the Organic Production and Market Data Initiatives Program and the National Organic Program, as well as enhances investigation and enforcement tools. The National Organic Program receives an increase in funding to better support its regulatory functions in ensuring consumers are presented with consistent, uniform standards.

Regulatory Relief & Certainty

The bill includes several provisions that provide relief from some of the most onerous regulatory pressures plaguing our nation's farmers, ranchers, and rural communities. All of these measures provide no additional cost to taxpayers, but provide significant benefits in job creation and regulatory certainty.

Includes H.R. 872, the Reducing Regulatory Burdens Act

The Horticulture title includes H.R. 872, the Reducing Regulatory Burdens Act, which eliminates a costly and duplicative permitting requirement for pesticide applications.

The Environmental Protection Agency (EPA) has a comprehensive regulatory program in place under the authority of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), but an erroneous judicial decision has resulted in the EPA requiring additional permits under the Clean Water Act (CWA) even though this duplicative mandate imposes significant public health risks and provides no quantifiable environmental benefit. H.R. 872, which was drafted with the technical assistance of the EPA, passed the House of Representatives with a bipartisan vote of 292 – 130 on March 31, 2011.

Biological Opinions

The bill would impose a temporary stay on the EPA from initiating a modification or cancellation of a pesticide registration based on the Biological Opinions of the National Marine Fisheries Service or the U.S. Fish and Wildlife Service (hereinafter referred to as “the Services”) until an unbiased, external scientific, peer review of these Biological Opinions can be conducted and the scientific questions challenging the validity of these consultations can be resolved.

This is the result of extensive bipartisan oversight carried out between the House Agriculture Committee, Natural Resources Committee and Appropriations Subcommittee on Interior, Environment, and Related Agencies in response to litigation challenging EPA registrations of pesticides wherein the agency had not formally consulted with the Services'. Courts have ordered these consultations to proceed under an expedited schedule that precludes scientific credibility and transparency. The results of these consultations to date are Biological Opinions of the Services' for which the EPA has testified are scientifically suspect. Despite the lack of agreement on the underlying scientific methods and data employed by the Services', current lawsuits are aimed at compelling the EPA to implement these Biological Opinions. This would circumvent the desire that EPA's process and final decision on pesticide registrations be scientifically valid and technologically feasible.

Biotechnology Regulatory Streamlining

The bill includes a provision reiterating that the sole and exclusive authority of the Secretary to regulate products of biotechnology under the Plant Protection Act is to be limited to the evaluation of plant pest risk while authorizing the conduct of a targeted and transparent environmental review to facilitate public understanding and scientific discourse.

Under the Plant Protection Act, the Secretary is authorized to regulate the introduction and cultivation of products of biotechnology if the product poses a plant pest risk. When a petition

for non-regulated status is received a comprehensive plant pest risk assessment is conducted. Once it is determined that the product poses no plant pest risk, the authority to regulate the product under the Plant Protection Act ceases and a final decision is made to deregulate the product. Recent petitions for deregulation have taken several years, though the actual review takes only weeks and USDA regulation provides for a maximum limit of 180 days.

The current framework of the Plant Protection Act which is intended to ensure the safety of biotechnology crop reviews has been impeded by numerous procedural lawsuits. Many of these lawsuits have been proven to include frivolous claims and have been based on extraneous statutes that conflict with USDA's statutory mandate to regulate based on plant pest risk. These challenges have strained the limited resources of the Department, imposed millions of dollars in unnecessary costs on taxpayers and hundreds of millions of dollars in lost opportunity costs on our national economy, and endangered the United States' leadership role in this new and beneficial field of science.

Agricultural biotechnology is an evolutionary technology with revolutionary potential to feed an ever-increasing world population, while enhancing environmental stewardship. This provision will ensure that the transparent, comprehensive and scientifically-based review of these products occurs in a timeframe that facilitates continued innovation and adaptation of new tools to meet the challenges of food security.

Pesticide Registration Improvement Act Reauthorization

The bill includes the third reauthorization of the Pesticide Registration Improvement Act. This legislative proposal represents a multi-year effort by pesticide manufacturers, non-governmental organizations and the Environmental Protection Agency to negotiate the content of legislation, which would provide additional resources for the Environmental Protection Agency's registration activities and provide a more predictable service for pesticide registrants.

Title XI: Crop Insurance

Crop Insurance is the cornerstone of risk management for most farmers. FARRM recognizes the \$12 billion in cuts that crop insurance has already contributed toward deficit reduction over the past five years and the increased importance of crop insurance given a 23 percent reduction in the commodity title. FARRM does no harm to crop insurance, as farmers requested, and instead makes improvements to better serve all producers of all crops in all regions.

Supplemental Coverage Option

FARRM authorizes producers to purchase the Supplemental Coverage Option (SCO), an area-wide group-risk policy, designed to address a portion of losses not covered by individual crop insurance policies.

Enhanced Risk Management for Beginning Farmers and Ranchers

For the initial five years of production, beginning farmers and ranchers will benefit from a 10 percentage point crop insurance premium reduction and will see improved production histories where natural disasters have depressed current Actual Production History (APH) yields.

Expands Risk Management for Specialty Crops and Underserved Commodities

FARRM provides authority for the development of improved risk management tools for underserved crops and regions.

Improved Actual Production History in the Event of Multiple Year Disasters

FARRM addresses problems with declining Actual Production History (APH) yields due to multiple year disasters by providing a transitional yield that reflects a producer's production capability on that land.

Increased Flexibility

FARRM authorizes continuation of insuring by Enterprise Units as provided under the 2008 Farm Bill, with improvements.

Program Integrity

FARRM requires that the Farm Service Agency (FSA) and the Risk Management Agency (RMA) share information and encourages correction of errors in order to ensure accuracy of reported information.

Title XII- Miscellaneous

Animal health and livestock industry promotion

Subtitle A of Title XII includes the reauthorization of several programs that help promote the livestock industry, as well as improve animal health.

National Sheep Industry Improvement Center (NSIIC)

The bill reauthorizes the NSIIC through 2017. The Center was created to assist our sheep and goat producers by strengthening and enhancing the production and marketing of sheep, goats, and their products.

Trichinae Certification Program

The bill reauthorizes the Trichinae Certification Program through 2017. The program is a pre-harvest pork safety program that uses management practices to minimize the risk of exposure of swine to the parasite *Trichinella spiralis*.

National Aquatic Animal Health Plan

The bill reauthorizes the National Animal Health Plan through 2017. The authority allows the Secretary to enter into cooperative agreements for the purposes of detecting, controlling, or eradicating diseases in aquaculture species.