2018 Farm Bill Backgrounder

ASA Resolutions on Title 1 and Crop Insurance

- ASA will work closely with other farm organizations to enhance risk management tools and strengthen the farm safety net in the next Farm Bill in order to offset the significant reduction in farm prices and income incurred since 2013.

- ASA opposes reducing the current government subsidy levels of Federal Crop Insurance premiums.

- ASA opposes imposing means testing on Federal farm payments and loans made to U.S. farmers.

- ASA supports keeping the agricultural titles and the nutrition title in the next Farm Bill.

- ASA supports renewing ARC-CO and PLC in the next Farm Bill, and allowing producers a one-time choice between the programs on a crop-by-crop and farm-by-farm basis.

- ASA supports renewing ARC-IC (individual farm coverage) in the next Farm Bill, and making it a more viable option for producers.

- ASA supports the utilization of current Risk Management Agency (RMA) yield information to calculate the county yield for ARC-CO payments under the next Farm Bill. If RMA yields are not available, ASA supports using RMA information from adjoining counties. If RMA information from adjoining counties is not available, ASA supports using NASS yields.

- ASA supports the use of federal crop insurance records and/or production evidence from similar surrounding farms to update yields for federal farm programs.

- ASA recommends that the next Farm Bill give producers a one-time choice to: (1) maintain the existing crop acreage bases on a farm; (2) reallocate bases to reflect average acres planted to program crops in the previous four years; or (3) update bases to include all acres planted to program crops in the previous four years.

- ASA supports maintaining decoupling under the ARC and PLC programs. *Payments should continue to be made on crop acreage bases reflecting production in recent years on rather than on current-year planting.*

- ASA supports the Secretary of Agriculture designating cottonseed as a minor oilseed.

- ASA supports decoupling and incorporating generic acres in reallocated or updated bases.

ASA Resolutions on Other Farm Bill Titles

- ASA supports full funding of AFRI and other agricultural research programs as well as the EQIP and CSP conservation programs.

- ASA supports doubling funding for the FMD and MAP programs over the life of the next farm bill.

- ASA supports authorizing and funding the Bioenergy Program for Advanced Biofuels, the Biobased Market Program, and the Biodiesel Education Program.

Background

The 2018 Farm Bill represents an opportunity for Congress to respond to the sharp declines in farm prices by 40 percent and farm income by 46 percent since 2013. While the Average Risk Coverage (ARC), Price Loss Coverage (PLC) and crop insurance programs have provided some protection, they must be strengthened. The safety net for cotton producers is woefully inadequate, with less than 30 percent of cotton producers participating in the Stacked Income Protection Program (STAX). While the safety net for other commodities has performed better than cotton, several have suffered even greater declines in prices and also need additional assistance. Fixing these problems and writing sound farm programs will require more resources than will be available in the Congressional Budget Office baseline.

The years prior to the Agricultural Act of 2014 saw near-record commodity prices and farm income. As a result, agriculture, conservation and nutrition organizations accepted a reduction in the baseline of $23 billion over ten years, including elimination of Direct Payments. Today, as a result of improvement in the Nation's economy, spending on the Supplemental Nutrition Assistance Program (SNAP) is expected to be down $84 billion over the next decade. The cost of crop insurance is projected to decline $11 billion from the baseline. These reductions will make addressing funding problems in commodity, conservation, crop insurance, research, energy, and export promotion programs even more difficult.

ASA is working with other farm organizations to develop consensus positions for the 2018 Farm Bill based on the clear need for a stronger farm safety net and more resources for other key priorities. We were the only sector willing to contribute to deficit reduction when the farm economy was healthy. Now we look to Congress to find resources from outside the farm bill that will help agriculture through this very difficult period. We will be united in this request, and look forward to working with the Congressional Agriculture Committees as they begin debate on the 2018 Farm Bill.

Energy Title Programs

Bioenergy Program for Advanced Biofuels (Section 9005)

The Bioenergy Program for Advanced Biofuels supports the development of biodiesel and other agricultural bioenergy sources that displace foreign petroleum, provide environmental benefits, and promote jobs and economic development, particularly in rural America. The program provides payments to bioenergy producers, including biodiesel, methane digesters on dairy farms, and wood pellets. The program is currently funded at $75 million over 5 years.

Biobased Market Program (Section 9002)

The goal of the Biobased Markets Program is to develop markets for biobased products through increased federal procurement and a voluntary labeling program. The Biobased Markets Program includes the BioPreferred Program, which adds value to agricultural commodities by designating and promoting biobased products for preference in federal procurement. USDA also established a voluntary labeling program to help identify and promote these products. The Biobased Market Program received $15 million over 5 years in the 2014 Farm Bill.

Biodiesel Education Program (Section 9006)

The Biodiesel Education Program plays a vital role in expanding marketplace acceptance and use of biodiesel as a low-carbon, renewable diesel replacement fuel. Through competitive grants the program supports technical outreach efforts to engine manufacturers, truckers, and fuel marketers that promote the use of higher biodiesel blends in conventional diesel applications. The program is funded at $1 million per year over 5 years.