By Tom Dowling and Leslie Haymon

On June 28, 2018, the Senate passed the Agricultural Improvement Act [2], its version of the Farm Bill, in an 86-to-11 vote with strong bipartisan support. Its passage paves the way for a conference committee to reconcile differences with the House’s version of the bill, titled the Agriculture and Nutrition Act of 2018 [3].

The current farm bill, the Agricultural Act of 2014 [4], expires September 30, 2018, leaving the committee three months to prepare a final bill. If signed into law, the bill will provide roughly $867 billion for a wide range of agriculture, rural development, and nutrition programs. In addition, the farm bill provides funding for a wide variety of state programs.

Three key differences remain between the Senate and House versions of the reauthorization, and these disagreements will define the reconciliation process.

First, unlike the Senate bill, the House version changes work requirements and restructures the funding to include additional money for state job-training programs. Able-bodied adults without children under the age of six would be required to work at least 20 hours per week or lose benefit eligibility. The Congressional Budget Office estimates [5] that this requirement will prevent 400,000 households from qualifying for the Supplemental Nutrition Assistance Program, or SNAP.

"We know conference committee is going to be a wild and woolly debate as we go forward on a number of things," Senate Agriculture ranking member Debbie Stabenow said shortly after the Senate passage.

Second, the Senate bill lowers the income threshold for farm owner’s subsidy eligibility by $200,000 in adjusted gross income and increases U.S. Department of Agriculture trade program funding.

Finally, the two bills increase the Conservation Reserve Program’s acreage cap by different amounts. The Senate version caps the program at 25 million acres while the House version caps the program at 29 million.

The House version also includes a number of significant changes to the nutrition programs while largely retaining the crop insurance and subsidies in present form.

For example, the bill reorganizes some of the crop subsidy and insurance schemes and makes significant changes to the Conservation Stewardship Program, which currently has 72 million acres enrolled in conservation activities. This program would be eliminated and some of its initiatives would be reincorporated in the Environmental Quality Incentives Program.

Key provisions of both versions include:

**Crop Insurance**

- The Senate version makes it more difficult for farm managers who are not involved in day-to-day farm management to receive crop subsidies when commodity prices do not meet expectations.
- The Senate version reduces farmer eligibility for subsidies, lowering the income threshold from $900,000 to $700,000. Continued weakness in the farm economy raises concerns about the effect of subsidy adjustment on agricultural production.
- Both versions reduce conservation subsidization, but the House version cuts more steeply, by $5
billion over 10 years. This program is the single largest source of money for private land conservation efforts. The loss may require states to allocate additional funding to conservation efforts.

SNAP

- The House version requires that work capable adults work or participate in work training for 20 hours per week. The Senate version requires that state agencies include job search as a component in their employment and training programs. Both changes will impose significant administrative costs on states due to the need for increased oversight in program administration.

Broadband/Rural Development

- Both versions make matching grants an eligible funding mechanism for broadband deployment in rural areas - a key state priority.
- The Senate bill reinstates the Undersecretary for Rural Development and the position’s corresponding portfolio, which previously included transportation infrastructure, high-speed broadband, affordable water, quality schools and public safety. The position originally received $216 billion prior to the 2017 restructuring.
- Both versions provide the Secretary of Agriculture the authority to help communities combat opioid addiction by prioritizing assistance to direct medical services - a key state priority.

Hemp

The House version does not legalize hemp. The Senate version legalizes hemp. Hemp is a key priority for state leaders and its legal status has been uncertain recently.

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