

State-Federal Relations Division

House Agriculture Committee Approves 2018 Farm Bill

April 20, 2018

On April 18, the House Agriculture Committee passed, 26-20, H.R. 2, the "<u>Agriculture & Nutrition Act of 2018</u>" more commonly known as the House's 2018 Farm Bill. The bill reauthorizes several key agriculture and nutrition programs for five years, through Fiscal Year (FY) 2023. The Congressional Budget Office (CBO) estimates \$867 billion in total farm bill spending, which includes nutrition, crop insurance, conservation and other farm programs. The bill contains 11 titles with the major themes and changes impacting states outlined below.

It is unclear when this bill will come to the House floor. The Senate Agriculture Committee is expected to release its bill later this spring. Current authorization for farm bill programs expires on Sept.30, 2018. If you have any additional questions or concerns regarding farm provisions, please contact NCSL staff Ben Husch (202-624-7779) or Kristen Hildreth (202-624-3597). For additional information on the food and nutrition programs, including the Supplemental Nutrition Assistance Program, please contact NCSL's Health and Human Services Committee staff Haley Nicholson (202-624-8662) or Abbie Gruwell (202-624-3569).

As a reminder, registration is open for the first webinar in NRI's <u>2018 Spring Webinar Series</u>. The Next Farm Bill: A Primer. Join us on May 3, at 3 p.m.ET/ 2 p.m. CT/ 1 p.m. MT/ Noon PT, to learn about some of the key programs included in the Farm Bill affecting farmers and agricultural production, and what can be expected for the rest of 2018 and beyond. <u>REGISTER NOW</u>

Key Resources:

H.R. 2, "Agriculture & Nutrition Act of 2018" <u>Bill Text</u> House Agriculture Committee Short <u>Summary</u> House Agriculture Committee <u>Section-by-Section</u>

Title I – Commodities

Overall, the bill would reauthorize and modify the two insurance programs developed in the 2014 farm bill to replace the system of direct cash payments that aim to help producers manage risk during times of loss.

- Sec. 1116 reauthorizes Price Loss Coverage, which pays producers when crop prices fall below a certain reference point, and modifies the program by allowing reference prices to adjust when markets improve and allowing farmers affected by long-term exceptional drought during the previous opportunity to update their yields.
- Sec. 1117 reauthorizes Agriculture Risk Coverage, which pays producers for a percentage of their losses that are not covered by crop insurance, and revises how actual-yields are calculated.
- Subtitle D renames The Margin Protection Program to the Dairy Risk Management (DRM) program, and also allows for higher level coverage at lower premiums as well as milk production not covered by DRM to be eligible for crop insurance.

Title II – Conservation

Overall the bill would reduce authorized funding for conservation programs by nearly \$800 million over a decade.

- Sec. 2501 reauthorizes and provides increased funding for the Environmental Quality Incentives Program (EQIP), beginning with \$2 billion increase in FY 2019 that rises to \$3 billion in FY 2023. This increase is paired with an elimination of the Conservation Stewardship Program (CSP). These are two of the largest conservation programs that provide funding to producers that engage in sustainable practices but operate very differently. CSP, which enrolls more than 70 million acres, is a longer-term approach that provides ongoing incentive payments for advanced conservation systems with producers taking part in five- or 10-year contracts. Existing CSP contracts would be honored until their expiration. EQIP, makes a one-time payment for practices like use of cover crops or installation of irrigation systems and is often seen as an on-ramp to the more involved CSP program. It also authorizes increased funding for the Agriculture and Conservation Easement Program (ACEP) by \$200 million to \$500 million annually through FY 2023.
- Sec. 2201 reauthorizes the Conservation Reserve Program (CRP) through FY 2023 and increases the number of acres enrolled in the CRP by 5 million to 29 million, and requires the distribution of enrolled acres across states in proportion to historic state enrollment be maintained by the Secretary. Payment rates would be reduced to account for the expansion in acres.
- Sec. 2205 requires agreements with states to limit the cost share to 50 percent of the agreement for the Conservation Reserve Enhancement Program.
- Sec. 2502 specifies that technical assistance may be provided by third-parties such as state or local government.
- Sec. 2704 authorizes the Regional Conservation Partnership Program at \$250 million annually.

Title VI – Rural Infrastructure and Economic Development

Overall, the bill would reduce rural development funding by \$500 million over 10 years as well as renew many rural grant and loan programs as discretionary rather than mandatory. It would be the first farm bill since 1996 to include any mandatory funding in the rural development title.

- Sec. 6102 creates a competitive grant program, authorized at \$350 million annually through FY 2023 for construction, improvement, or facilities acquisition projects related to broadband service in rural areas. Additionally, an amendment adopted during the committee's markup would require any grants or loans from USDA's Rural Utilities Service associated with broadband have a minimum service of 25 Mbps download and 3 Mbps upload.
- Sec. 6113 extends authorized appropriations of \$150 million annually for loans regarding access to broadband telecommunications services in rural areas.

Title VII – Research

Overall, the bill reauthorizes several research programs and establishes new scholarships.

- Sec. 7114 and 7115 reauthorize appropriations through FY 2023 for grants for 1890 land grant institutions to upgrade agriculture and food sciences facilities.
- Sec. 7117 prevents additional entities from being designated as eligible to receive land grant funding, and notes that "no state shall receive an increase in funding under a covered program as a result of the State's designation of additional entities as eligible to receive such funding."
- Sec. 7121 reauthorizes appropriations through FY 2023 for research programs focused on agriculture, including research at state agricultural experiment stations.
- Sec. 7507 Reauthorizes Beginning Farmer and Rancher Development Program at its current level of \$20 million per year.

Title VIII – Forestry

Overall, the bill expands Categorical Exclusions (CE) that aim to increase the rate at which forest projects are approved.

- Subtitle C Categorical Exclusions: Provides the availability of CEs, limited to 6,000 acres, for expediting salvage operations in response to catastrophic events, to meet forest plan goals, and to reduce the risk of wildfire in National Forest System or public lands. This would be a doubling of current allowable acreage that was included in the FY 2018 omnibus.
- Sec. 8104 reauthorizes the landscape-scale restoration program at \$10 million annually to states to support public benefits derived from state and private forest land.
- Sec. 8303 removes the requirement for an Endangered Species Act (ESA) Section 7 consultation if a forest service project is found not likely to adversely affect a listed species and allows for an expedited consultation.
- Sec. 8305 authorizes CEs to remove hazardous trees to protect public safety, water supply, or public infrastructure.

Title IX – Horticulture

- Sec. 9004 extends authorized appropriations of \$85 million annually for Specially Crop Block Grants, and directs USDA to enter into cooperative agreements with state departments of agriculture to evaluate performance.
- Sec. 9101 recognizes the role of state lead agencies under Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and authorizes states to establish and maintain uniform

- regulation of pesticide through cooperative agreements with the Environmental Protection Agency.
- Sec. 9118 eliminates state-delegated National Pollutant Discharge Elimination System permit requirements for FIFRA pesticide discharges.

Select Amendments

The committee adopted an amendment during markup to include the Protect Interstate Commerce Act of 2018. The amendment, strongly opposed by NCSL, would introduce a new type of federal pre-emption where state laws and statutes could be nullified if another state or locality had enacted a different law or statute covering the same agriculture production process. For more information, read NCSL's letter of opposition.

The bill also included an amendment that for the first time would prohibit the slaughter of dogs or cats for human consumption or the sale of their meat. Punishment for violating the law would be up to one year in prison and a fine of \$2,500.