



FARM BILL 2012

HOW THE FARM BILL AFFECTS YOU

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What is the “Farm Bill?”



- The Farm Bill is a major agricultural and nutrition bill that contains 15 sections, or “titles.”
- Guides most federal farm and food policies through FY2012.
- Reauthorization every five years. Expires in 2012.



What is the “Farm Bill?”



- Many in Congress believe farm support programs ensure United States has the most abundant, safest, and affordable food supplies in the world.
- The farm bill has expanded to more than just farming: Bioenergy, horticulture and livestock



What is the “Farm Bill?”



- **Some of the agencies involved with the Farm Bill**
 - Agriculture Research Service
 - Ag Marketing Service
 - Economic Research Service
 - National Institution of Food and Agriculture
 - Risk Management Agency
 - Farm Service Agency
 - Forest Service
 - Food and Nutrition Service
 - Ag Extension Service
 - Rural Development
 - Natural Resources Conservation Service
 - National Ag Statistics Service



What is the “Farm Bill?”



- **The 2008 Farm Bill Titles**
 - Title I, Commodities
 - Title II, Conservation
 - Title III, Agricultural Trade and Food Aid
 - Title IV, Nutrition
 - Title V, Farm Credit
 - Title VI, Rural Development
 - Title VII, Research
 - Title VIII, Forestry
 - Title IX, Energy
 - Title X, Horticulture and Organic Agriculture
 - Title XI, Livestock
 - Title XII, Crop Insurance and Disaster Assistance
 - Title XIII, Commodity Futures
 - Title XIV, Miscellaneous: Other
 - Title XV, Trade and Tax Provisions

What is the “Farm Bill?”



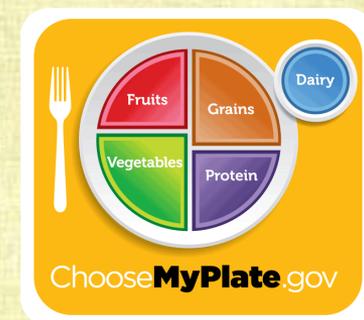
- Important topics in the 2008 Farm Bill:
 - Conservation
 - Food Distribution Programs
 - Rural Housing and Development
 - Infrastructure, such as sewers, electricity, water, etc.
 - Broadband availability
 - Commodity Programs and Farm Loans to farmers and ranchers
 - Energy (Renewable and Biofuels) and the reduction of dependence on foreign supplies
 - Nutrition
 - Food Security for our nation
 - Creation of jobs, especially in rural environments
 - Climate change
 - Wetland protection
 - Food stamps



What is the Cost of the 2008 Farm Bill?



- The farm bill pays for some mandatory costs
- Discretionary programs authorized in the farm bill paid separately in annual appropriations bills
 - \$284 billion over five years (FY2008-FY2012) and \$604 billion over ten years (FY2008-FY2017)
- Approximately 97% of estimated total cost:
 - Nutrition (67%) \$189 billion
 - Farm commodity support (15%) \$42 billion
 - Conservation (9%) \$24 billion
 - Crop insurance (8%) \$22 billion





Cost of the 2008 Farm Bill



| Title | Policy Issue | 5-yr. cost (\$ billion) | Annual average (\$ billion) | Percent share 5 (%) |
|--------------|----------------------|-------------------------|-----------------------------|---------------------|
| 1 | Commodities | 41.6 | 8.3 | 15% |
| 2 | Conservation | 24.1 | 4.8 | 8% |
| 3 | Trade/Food Aid | 1.9 | 0.4 | 1% |
| 4 | Nutrition | 188.9 | 37.8 | 67% |
| 5 | Credit | (1.4) | -0.3 | <0.5% |
| 6 | Rural Development | 0.194 | 0.0 | <0.5% |
| 7 | Research | 0.321 | 0.1 | <0.5% |
| 8 | Forestry | 0.038 | 0.0 | <0.5% |
| 9 | Energy | 0.643 | 0.1 | <0.5% |
| 10 | Horticulture/Organic | 0.402 | 0.1 | <0.5% |
| 11 | Livestock | 0.001 | 0.0 | <0.5% |
| 12 | Crop Insurance | 21.9 | 4.4 | 8% |
| 13 | Commodity Futures | 0 | 0.0 | <0.5% |
| 14 | Miscellaneous | 6.4 | 1.3 | 2% |
| 15 | Disaster Assistance | 3.8 | 0.8 | 1% |
| 15 | Tax/Other | (4.8) | -1.0 | -2% |
| Total | | 283.9 | 56.8 | 100% |

Source: CRS Report R41195, Actual Farm Bill Spending and Cost Estimates, based on CBO estimates.

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2008 Farm Bill Issues



- Main commodities subsidized: grains, oilseeds, cotton, milk, and sugar
- Finding a balance between regulatory and voluntary policy options to address environmental issues from agriculture will continue to shape the debate for 2012 farm bill.
- Bioenergy: One-third of U.S. corn production is converted into ethanol, up from 7% a decade ago.



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2008 Farm Bill Titles – A Closer Look

The current Farm Bill's official title is the "Food, Conservation and Energy Act" – Conservation provisions provide opportunities for farmers, ranchers and tribes to conserve, protect and enhance their natural resources.

2008 Farm Bill Title II: Conservation



- 2008 farm bill reauthorized almost all 2002 farm bill conservation programs
 - Modified several programs
 - Created several new conservation programs
- Changes to and/or expanded:
 - Environmental Quality Incentives Program
 - Conservation Stewardship Program (renamed)
 - Conservation Reserve Program
 - Farmland Protection Program

2008 Farm Bill Title II: Conservation



- Program changes addressed:
 - Eligibility requirements
 - Program definitions
 - Enrollment and payment limits
 - Contract terms
 - Evaluation and ranking criteria
 - Other administrative issues
- Producer coverage expanded to include:
 - Beginning farmers
 - Limited-resource
 - Socially disadvantaged producers
 - Specialty crop producers
 - Producers transitioning to organic production



2008 Farm Bill Title IV: Nutrition



- Well over half of all spending covered by the bill
 - Majority financing the Food Stamp program.
 - Most significant issues addressed administration of, eligibility for, and benefits under
 - Food Stamp program
 - Emergency Food Assistance Program (TEFAP)
 - And a program making free fresh fruits and vegetables available in schools.



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2008 Farm Bill Title VI: Rural Development



- Reauthorized and/or amended rural development loan and grant programs
- New provisions for rural infrastructure, economic development, and broadband and telecommunications development.
- New programs for technical and financial assistance for rural businesses.



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2008 Farm Bill Title VIII: Forestry



- New programs to assist in protecting forests threatened with conversion to non-forest uses, and to restore forests damaged by natural disaster.
- Established priorities for forestry assistance funding, required statewide forest resource assessments, and created a new coordinating committee to oversee state assistance funding.
- Amended existing law to restrict imports of illegally logged wood and modified income tax deductions for qualified timber gains.



2008 Farm Bill Title IX: Energy



- Created new programs and initiatives to promote biofuel and alternative fuels made from wood, grasses, etc. (cellulosic)
- Included provisions supporting farm and community renewable energy systems, including the production, marketing, and processing of biofuel feed stocks other than corn starch.
- Expanded research, education, and demonstration programs for advanced biofuels, and also established USDA coordination of federal bio-based energy efforts.
- Expanded federal procurement of biofuels and bio-refinery repowering projects.



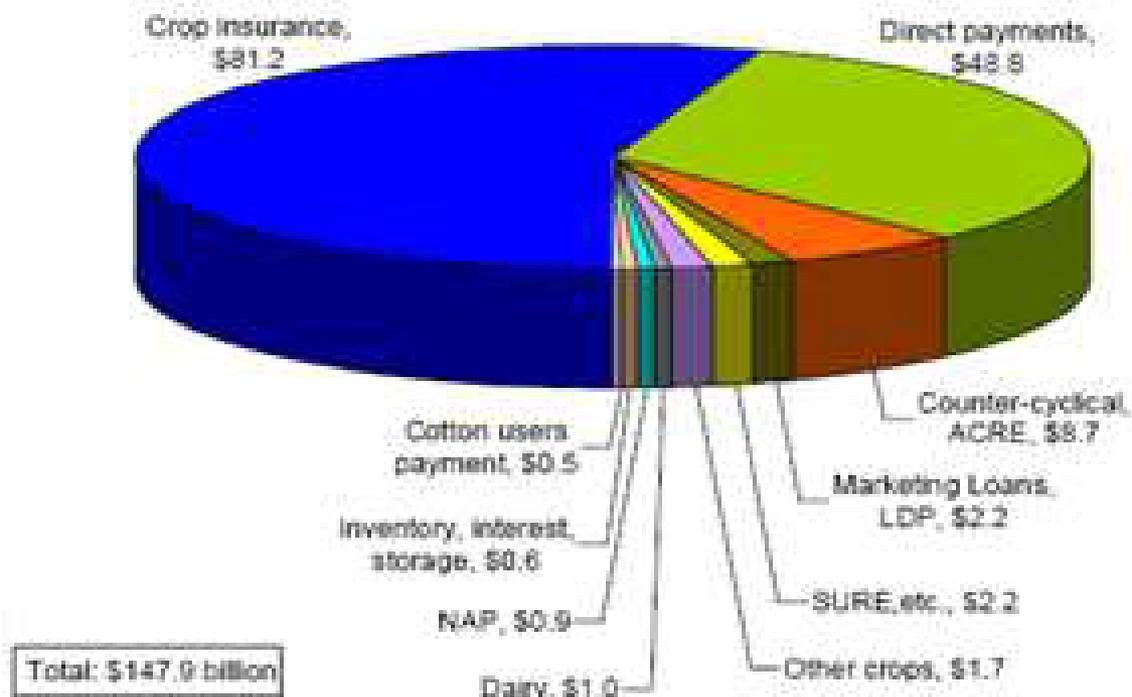
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2008 Farm Bill Title XII: Crop Insurance



- Crop Insurance Title: As a shared risk management tool, crop/livestock insurance participation continues to grow.

Projected Outlays for Title I Farm Commodity Programs, Crop Insurance, and Disaster Programs, FY2011-2020 Total (dollars in billions, 10-year total)



Source: CRS compilation, based on the August 2010 CBO baseline for crop insurance and SURE, and the March 2010 CBO baseline for the direct and counter-cyclical programs (the latest available by type of payment).

How the Farm Bill Affects You



- The Farm Bill impacts many areas of your lives:
 - Conservation
 - Nutrition
 - Housing
 - Development
 - And more...



Partnering with Tribes

How the USDA uses funding to partner with tribes.

USDA Program Funding Obligated to Tribes Environmental Quality Incentives Program (EQIP)

- Since 2004, NRCS-WA has dedicated 12.5 percent of EQIP funding to tribes in Washington State.
 - Tribes received funding prior to this - 12.5 percent allocation began in 2004.
 - The percentage is based on land area owned by tribes in the state. Funding has averaged around \$1.1 to \$1.3 million per year.

NRCS EQIP Dollars Obligated to Tribes



| Tribe | Year(s) | Dollars Obligated |
|------------------------------|-----------|-------------------|
| Quinault Indian Nation | 2004-2011 | \$889,055 |
| Lummi Tribe | 2006 | \$8,362 |
| Spokane Tribe | 2007-2010 | \$497,675 |
| Colville Confederated Tribes | 2004-2011 | \$2,888,895 |
| Yakama Nation | 2004-2011 | \$4,897,507 |
| Makah Tribe | 2005-2010 | \$366,811 |
| Upper Skagit Tribe | 2005 | \$57,145 |
| Tulalip Tribe | 2005-2006 | \$49,545 |
| Jamestown S'klallam Tribe | 2009 | \$9,720 |

Total: \$9,664,715

NRCS Partnering with Tribes



Omak Watershed Restoration Projects

- In 2010, NRCS obligated a WHIP contract with the Colville Tribe for \$449,841 for Mission Falls project.
 - Currently under construction – removing rock that blocked the passage after nearby blasting on a railroad project lodged the rock in the creek.
 - Once the rock is removed, the passage will open 90,000 square acres to Steelhead runs.

Work in the Watershed

- Work began in early 1980's when NRCS completed a PL-566 watershed plan.
- NRCS has utilized EQIP and WHIP program dollars, as well as contributing engineering design work.
- A \$625,000 American Recovery and Reinvestment Act (ARRA) project is helping remove fish barriers for Spring Chinook Salmon on Omak Creek.

Additional Projects

Quinault Indian Nation (QIN) Removes Fish Passage Barriers with EQIP and WHIP

- NRCS has been working with the QIN to remove undersized culverts and replace them with a 35' steel bridge and a 4' by 6' concrete box culvert.
 - New structures allow water and debris to flow more easily through the system – fish passage possible

Conservation Innovation Grants (CIG)

- In 2011 the Colville Confederated Tribe was awarded two Conservation Innovation Grants (CIG).
 - Colville Tribal Energy Program, \$160,664
 - Greenhouse Gas Mitigation, \$1.26 million

Additional Projects

Formation of Aquaculture Program

- NRCS-WA has entered into a contract with Triangle Associates, Inc. to help create an aquaculture/shellfish advisory group to explore the creation of an aquaculture program in Washington State.
- By 2013, NRCS-WA plans to offer conservation practices to aquaculture operators that will help protect this important industry.

Cultural Resources Work with Tribes

- NRCS-WA has entered into agreements with tribes for the past several years to help complete our cultural resources workload on and off reservations in order to move forward on EQIP and WHIP projects.
 - Partners: Yakama, Colville and Kalispel Tribes.

Additional Projects

NW Salmon Recovery Initiative (aka Puget Sound Initiative)

- The cumulative effects of urbanization, population density, and population growth have put significant pressure on the resources in the Puget Sound Basin, including salmon.
 - Land that can be treated by NRCS activities is directly adjacent to surface water including rivers, streams, ditches, lakes and wetlands.
- The “Puget Sound Initiative (PSI) proposal,” submitted by NRCS in 2011, outlined the need for additional funding in program dollars over the next five years.

RMA Partnering with Tribes



Risk Management Agency - *Education/Outreach Funding*

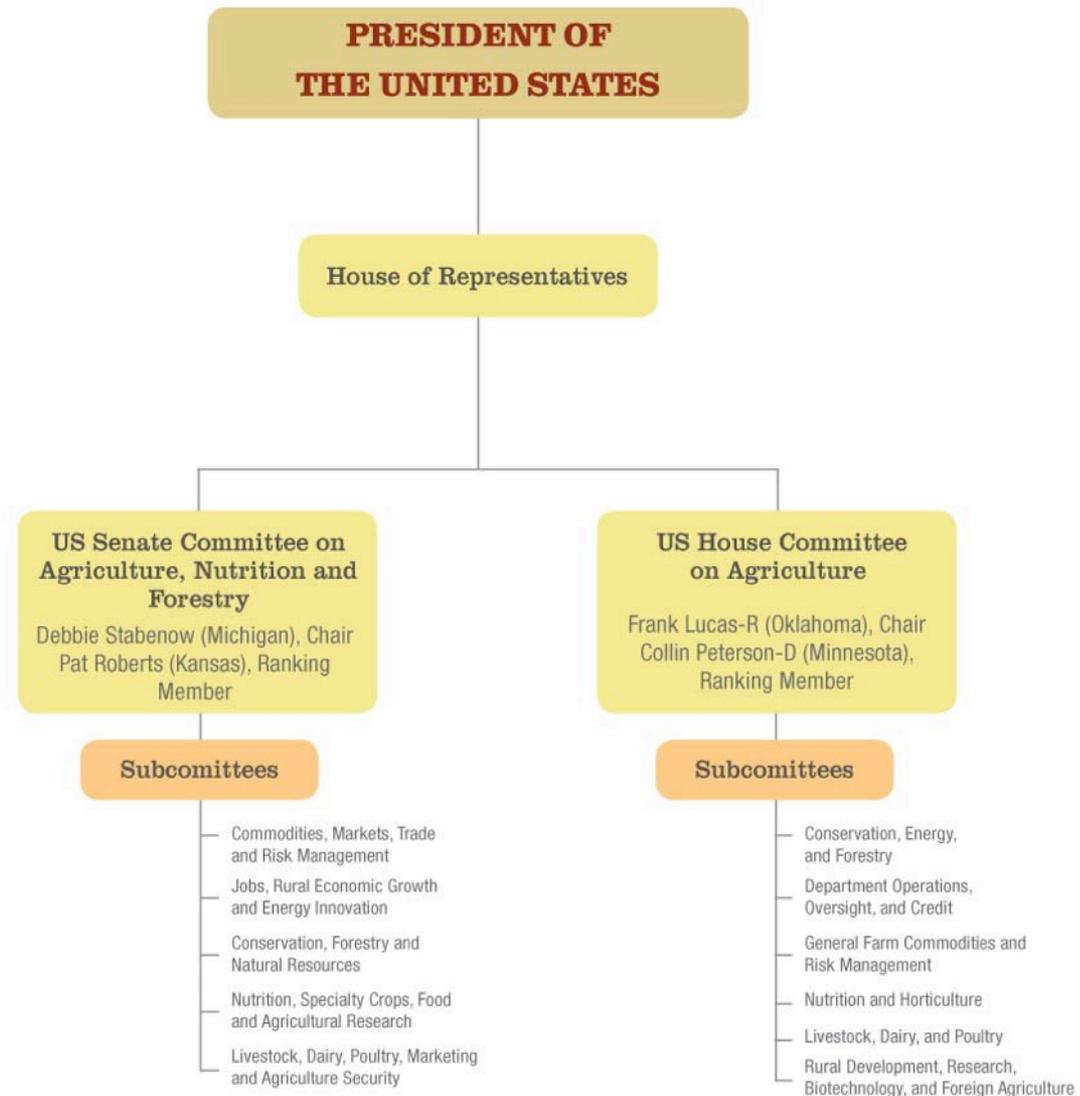
- Indian Nations Conservation Alliance (INCA) - *“Risk Management Training and Information for Tiicham (Umatilla) Tribal Conservation District Farmers and Ranchers,”* \$8,475 to offer RMA outreach programs to the Umatilla Indian Reservation farmers and ranchers ensuring better understanding of the value of livestock records to improve their livestock operations by tracking finances and animal production, documenting animal health treatments and beef quality assurance practices and evaluating the success of their operations.
- Indian Nations Conservation Alliance (INCA) - *“Risk Management Training for and Information for Colville Tribal Conservation District Farmers and Ranchers,”* \$10,000 to Increase the number of Native American farmers and ranchers on the Colville Reservation having knowledge of the benefits of RMA programs including reducing risks and record keeping to be eligible for USDA programs. By participating in RMA programs, the tribal producers will increase their economics, reduce risk and protect the environment.



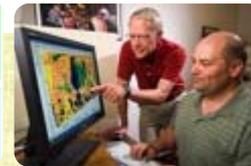
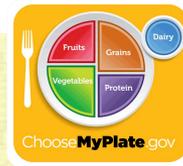
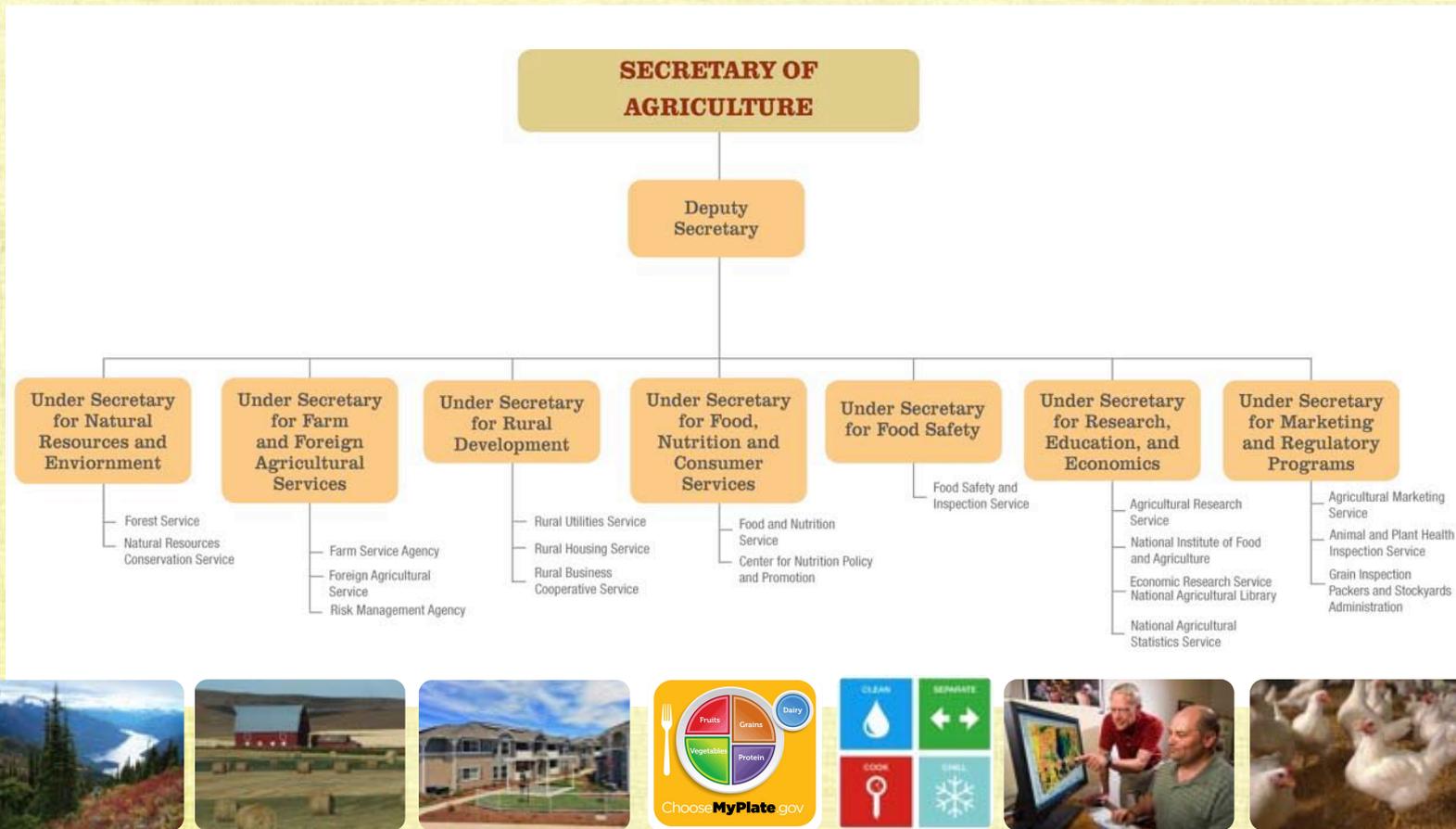
Affecting Change

The Farm Bill affects many aspects of our lives - you can influence the next Farm Bill by talking to Federal and State Representatives.

Agriculture Committees



Structure of the USDA



2012 Farm Bill



- 2012 Farm Bill will be written by Congress and can only be changed by Congress
 - Agencies develop the program manuals after congress passes the farm bill, but they have to follow statutory law.
- House Agriculture Committee will begin working on the bill again in February.
 - Farm Bill will go through the normal legislative process
 - At this time, groups and individuals have the opportunity to provide comment before it becomes law.